

THE TOBACCO OBSERVER

NOVEMBER 1986

Tobacco companies help underwrite Treaty Room

The Tobacco Heritage Committee, whose members are the chief executives of the seven largest producers of tobacco products, have underwritten the architectural creation of a Treaty Room and its antechambers in the Department of State building.

The committee members were hosts at an inaugural reception in the new suite on Oct. 1 for members of Congress, other federal officials, and leaders of tobacco organizations.

At the request of Clement E. Conger, curator of the State Department Diplomatic Reception Rooms, the companies subscribed \$1.2 million toward the total \$2 million cost of The Treaty Room suite.

The new rooms feature carvings of tobacco leaves, blossoms, and seed pods at the base of the vertical moldings in The Treaty Room and the antechamber doorway columns, inspired by similar treatment in the U.S. Capitol dating from the early 19th century.

The design recognizes the peace pipe as the unique American contribution to the symbols of peace and the historic role of tobacco in the Colonial and early Federal periods of the nation's history.

The new suite, furnished in the style of the late 18th and early 19th centuries, will serve as reception

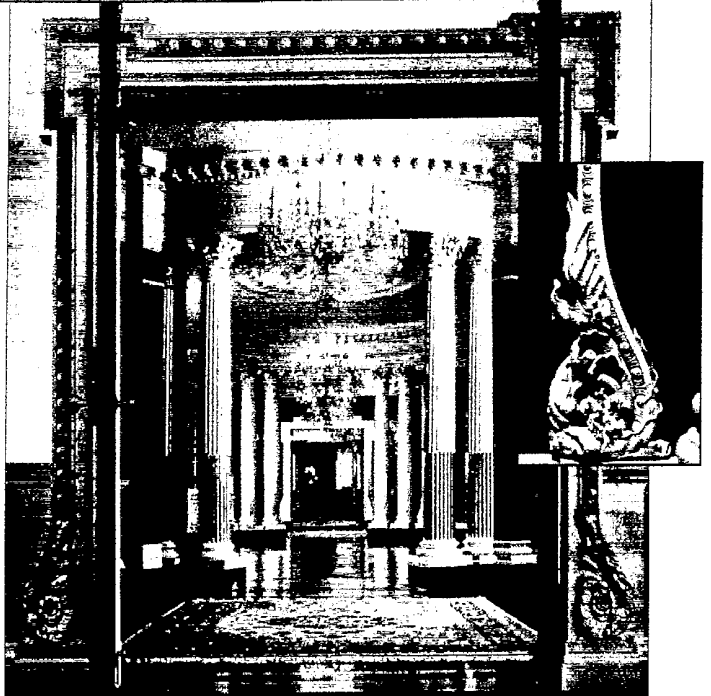
View of Treaty Room suite

The seven American classical rooms of the State Department's Treaty Room suite extend 172 feet. Pairs of carved tobacco leaves, blossoms, and seed pods rise above the bases of the vertical moldings of The Treaty Room and the antechamber doorway columns.

rooms for foreign visitors to the Secretary and Deputy Secretary of State and will be the ceremonial setting for signing of important international treaties.

Tobacco became an export mainstay of the colonies, following its cultivation by Virginia settlers in the early 1600s. Proceeds from its sale helped finance the Continental Army in the American Revolution. Today, it is one of the nation's five largest cash crops.

Members of the Tobacco Heritage Committee are these chief executives: Thomas C. Hays, The American Tobacco Company; R. J. Pritchard, Brown & Williamson Tobacco Corporation; K. v. R. Dey, Jr., Liggett & Myers Tobacco Company; J. Robert Ave, Lorillard, Inc.; Frank E. Resnik, Philip Morris U.S.A.; Gerald H. Long, R. J. Reynolds Tobacco Company; and Louis F. Bantle, United States Tobacco Company. □



After heading Institute for 16 years, Kornegay to retire

Horace R. Kornegay, former four-term North Carolina congressman who has headed The Tobacco Institute for 16 years, has announced his retirement, effective Dec. 31.

A resident of Greensboro, N.C., Kornegay will become counsel to

of The Institute, which is an association of manufacturers of cigarettes and other tobacco products.

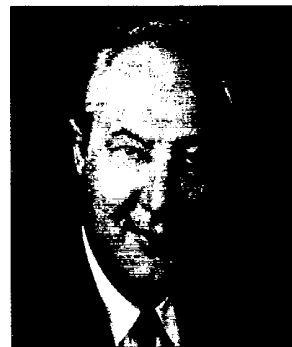
Frank E. Resnik, president of Philip Morris U.S.A. and chairman of The Institute's executive committee, pointed out that Kornegay had served more than twice as long as any of his predecessors in "one of the most exacting positions in Washington outside the government itself."

"Horace Kornegay will leave us with an unparalleled record of inspiration and leadership," Resnik said. "His reputation as a man of unfailing integrity and competence has been of inestimable value to our industry. Speaking with confidence for all of The Institute's members, I can say we deeply regret, but respect, his decision to retire."

After serving as an infantry machine gunner in Europe in World War II, Kornegay was graduated from Wake Forest University in 1947 and from its law school in 1949. He was elected prosecuting attorney for the 12th District of North Carolina in 1954, re-elected in 1958, and began his first term in the U.S. House of Representatives in 1961.

Kornegay's career at The Institute was marked by frequent appearances on Capitol Hill to represent the tobacco industry in legislative proceedings on cigarette advertising, labeling, taxation, foreign trade, and other issues. He was also chief spokesman for tobacco product manufacturers in domestic agency negotiations on advertising rules.

He and Mrs. Kornegay, the former Annie Ben Beale, will make their home in Greensboro. □



Mr. Kornegay

the Greensboro law firm of Adams, Kleemeier, Hagan, Hannah, and Fouts on Jan. 1.

In 1968, after serving the North Carolina's Sixth Congressional District for four terms, Kornegay announced he would not be a candidate for re-election. He was appointed vice president and counsel at The Institute in 1969, elected as its president and executive director the following year and as its chairman in 1981.

He will remain as a consultant to the organization through 1987. Samuel D. Chilcote, Jr., is president

President's opposition dooms Senate's cigarette tax hike

Repeatedly in the past two months, the raising of federal excise taxes was proposed as Senate and House committees struggled to reduce the fiscal 1987 deficit to meet targets set by the Gramm-Rudman-Hollings budget law.

Attempts to raise revenues through

higher excise taxes fizzled, largely because of the opposition of the administration, according to an analysis in the *Congressional Quarterly*.

Near the end of July, the Senate Finance Committee by an 11-8 vote approved the proposal of Sen. John H. Chafee (R-R.I.) to raise the federal excise tax on each cigarette pack by 50%. It was this eight-cent tax that was in the Senate budget package, S 2706, as the deadline for action was reached Sept. 19.

President Reagan sent letters that day to members of the Senate specifically objecting to any increase in the cigarette excise tax.

In his letter to Senate Majority Leader Bob Dole (R-Kan.), the President wrote:

I am writing to express my concern about proposals that are now being considered to achieve budget reconciliation targets through an increase in federal taxes. Specifically, the Senate reconciliation bill, S. 2706, as reported, would increase the federal excise tax on cigarettes from 16 cents to 24 cents per pack. As I have stated on many occasions, I cannot support this or any other tax increase.

Please see **Tax hike** on pg. 8.

Tobacco	
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Numbers decline as dollars rise	page 5

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Call for smoking ban rekindles controversy

Opposition and skepticism greeted a new National Academy of Sciences (NAS) committee report calling for a ban on smoking on all domestic commercial air flights.

The Tobacco Institute took exception even before the report appeared, anticipating its release with a press conference:

- pointing out that current rules that separate smokers from nonsmokers are satisfactory to a large majority of passengers
- offering a new study that indicated most seats in nonsmoking sections are "essentially free" of environmental tobacco smoke (ETS)
- charging that the panel's report lacked "actual, detailed in-air testing data establishing the need for further restrictions on smoking."

As a result of such evidence, Scott Stapf, a spokesman for The Institute, called the proposal "entirely unjustified."

Stapf said that federal regulations already impose extensive limits on cigarette smokers, who have been



"relegated to 'the back of the bus.'"

A 1985 poll by Tarrance and Associates of a representative sample of 1,000 frequent flyers found that 82 percent—including 79 percent of ex-smokers and 81 percent of those who have never smoked—support the current smoking rules on commercial airlines.

Few complaints

Department of Transportation complaint files indicate that only two to three percent of complaints from airline passengers have to do with smoking.

Stapf said that record works out to less than one complaint per million

passengers.

"The case against the NAS's additional smoking restrictions is a simple one," Stapf argued.

"First, federal regulation of airline smoking is already strongly tilted in favor of nonsmokers. Second, no actual detailed in-air testing for tobacco smoke establishes the need for new smoking restrictions. Third and finally, when it comes to the existing arrangement for smokers and nonsmokers, a clear majority of airline passengers agree 'it ain't broke' and doesn't need fixing.

"For these reasons," Stapf said, "the NAS recommendation does not Please see **Call** on pg. 3.

Sampling briefcase

Scott Stapf of The Tobacco Institute, right, displays compact testing equipment used in an in-flight study of environmental tobacco smoke (ETS) by the Research and Development Department of the R. J. Reynolds Tobacco Co. With Stapf is Dr. Guy Oldaker who discussed his findings of minimum exposure to ETS at a press conference the day before a National Academy of Sciences panel called for a ban on smoking on commercial flights. The *Washington Post* called the press conference a major public relations coup.

Why tamper with current arrangement?

A United Air Lines spokesman told the *Washington Post* the current separation of smokers is adequate and if "passive smoking becomes definitely established as a hazard, any necessary controls should be established for public places rather than air travel alone."

John Mazor of the Airline Pilots Association told *USA Today* that a smoking ban might prompt smokers to "sneak" smokes in restrooms and drop lighted cigarettes in waste baskets.

Buckley cynical

Columnist William F. Buckley, Jr., said the report of the National Academy of Sciences reminds us that scientists sometimes forget that human beings aren't squeaky wheels or guinea pigs.

Examining the arguments advanced, Buckley said that the first problem is rather easily coped with. "Those with high allergy to smoke can recommend seats far removed from the smokers' section." As for the flight attendants, he said "the study by the academy is not likely to document a noxious impact on [their] health" when they pass through an area in which people are smoking 15 days per month, for three or four hours.

Regarding any risks of fire on board an airplane, he said, skepticism gives way to cynicism. "... if the honorable scientists can come up with a single fatality caused by someone's having set a tobacco fire to a commercial airliner, I hope they will feature this in their report."

Editorial opposition

The *San Diego Union* editorially opposed the NAS ban recommendation:

"[F]orbidding cigarettes altogether on airlines is unwarranted, based on the available evidence," the paper said. "... [T]he scientists say a tobacco ban would reduce potential health hazards. The operative word is 'potential,' which is to concede an unknown factor. Our observation is that those seated in the nonsmoking section are virtually unaware of the smokers. ..."

Committee concedes lack of adequate data

To be kept cool, sensitive electronic equipment in the cockpit of commercial airliners may receive 21 times the amount of air as passengers in the economy class, according to a new study titled *The Airliner Cabin Environment: Air Quality and Safety*.

The study was done by a committee of the National Academy of Sciences (NAS).

To improve air quality for passengers and flight crews, a committee that carried out the congressionally mandated study has recommended policy changes, including "unanimously and forcefully proposing" that smoking be banned on all domestic commercial flights, and, with a dearth of information, a program for monitoring air quality.

The latter program would include systematic measures of the carbon monoxide and particles in the air, actual ventilation rates, cabin pressures, and cosmic radiation.

According to the 18-month study, passengers and crews may encounter potentially hazardous chemicals, fungal spores, ozone, cosmic radiation, and tobacco smoke on aircraft whose ventilation system may recirculate as much as 50 percent of the cabin air.

Flying 'not hazardous'

Nonetheless, Thomas C. Chalmers, chairman of the Committee on Airliner Cabin Air Quality, established to look into these issues by the National Research Council, believes that "flying on commercial airlines in the United States is not hazardous to the average passenger."

The Research Council is the key operating arm of NAS, which was under contract with the U.S. Department

of Transportation (DOT) to carry out a study of air quality aboard commercial aircraft. The report was given to DOT's Federal Aviation Administration, which regulates airlines.

Chalmers went on to say "it is possible, but not unequivocally proven," that flying may be hazardous to the health of cabin crew members and frequent flyers from airborne contaminants and radiation.

Chalmers wrote in the preface that "evidence . . . is sparse. Carefully designed epidemiologic studies of health effects associated with air travel are virtually nonexistent. . . . Hence, it is difficult to evaluate the risk to the exposed population. Indeed, the dearth of pertinent data limits conclusions about the potential for adverse health effects to no more than estimates."

No published data

Again, according to the Executive Summary on environmental tobacco smoke, the committee "found no published peer-reviewed data on ETS [environmental tobacco smoke] concentrations in cabins."

But faced with marginal ventilation (airflow) rates, unanswered questions about operational efficiencies of ventilation systems, and concerns over pregnant flight attendants and the "small number" of in-flight fires implicated with smoking, the committee recommended the smoking ban.

By contrast, when the committee found no studies on the concentrations of aerosols, its members reportedly could not assess their potential health hazard to passengers or crew.

According to the report, even elimination of smoking would not solve

all air problems.

"Empirical evidence is lacking in quality and quantity for a scientific evaluation of the quality of airliner cabin air or of the probable health effects of short or long exposure to it. Standards directly applicable to commercial aircraft have not been established for cabin ventilation rates, environmental conditions, and air contaminants, and adequate data on these factors are not available."

Aside from what the committee described as "measurements of opportunity," it conducted no in-flight measurement of the constituents of cabin air. It also admitted that in aircraft without recirculation, passengers in the nonsmoking section and crew members whose duties do not take them into the smoking section "are relatively unexposed."

Reporters openly skeptical

Reporters were openly skeptical about the absence of data, particularly in light of the committee's admission that most members were former smokers who were annoyed by ETS. "How do you expect recommendations to get off the ground without the data to support them?" one asked. And another chimed in, "Are you saying, 'trust us?'"

One reporter, noting that low humidity and lack of ventilation cause the same symptoms as those the committee was linking to ETS, asked repeatedly about improving the former rather than banning the latter. Increased humidity is too expensive, and improved ventilation unnecessary with a smoking ban, said Chalmers, who held out the possibility of an outbreak of Legionnaires' disease if the humidity were increased. □

Call for ban rekindles controversy

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fly and should be permanently grounded."

Study released

Released at the press conference was a new study of 66 in-flight tests showing that a passenger near the smoking section of a U.S. commercial airliner would have to complete eight continuous New York-to-Tokyo round trips to be exposed to the nicotine equivalent of one cigarette.

This works out to 224 hours or more than nine days in the air, advised Guy Oldaker, senior research chemist of the R. J. Reynolds Tobacco Co., one of the authors of the new in-flight air quality study. It concludes that the current federal regulation separating smokers and non-smokers "effectively minimizes the exposure of passengers seated in no smoking sections to environmental tobacco smoke."

A press release issued at the conference pointed out that the new study is the fourth detailed research project since 1971 to test for tobacco smoke in the air of commercial airline cabins during actual flights.

All four systematic in-air studies—including a 1971 report from the Department of Health, Education, and Welfare and the Federal Aviation Administration, a 1983 study by a team from San Francisco General Hospital Medical Center, and a 1984 study by Japanese researchers—concluded that the amount of cigarette smoke present in actual commercial flights is extremely small and that the levels do not indicate a demonstrated risk to passenger or flight personnel.

Oldaker said his study involved measurements of nicotine on Boeing 727-200s, B737-200s, and B737-300s, which comprise half of the U.S. commercial aircraft fleet.

"The estimates suggest very low exposures," Oldaker reported. "The findings indicate that only minute concentrations of ETS cross into no smoking sections, and that even in smoking sections, nicotine concentrations are frequently quite low."

The results show nicotine levels decreasing substantially from the smoking section to the no smoking section. The ETS concentrations drop sharply at the boundary rows; and, consequently, most seats in the no smoking sections are untouched by ETS.

Testing device explained

The device used for taking the on-board measurements was a modified briefcase, which contained a constant flow sampling pump. From the outside the briefcase appears to be a typical piece of carry-on luggage with the exception of two polished brass ports and the addition of an on/off switch underneath the briefcase handle.

The sampling briefcases were turned on during flights when passengers were allowed to smoke.

The nicotine sampling method was a more sophisticated version of the method developed by the National Institute for Occupational Safety and Health. □



Giant anti-excise tax poster

Holding a montage of articles and editorials opposing excise taxes are Robert Lewis, left, a senior vice president of The Tobacco Institute, and Rep. James Chapman (D-Tex.). To the question, "Do you ever wonder why nobody says anything good about excise taxes?" the 4x6-foot poster provides the headline response: "The good news is that excise taxes are bad news."

Passive smoking research finds no significant danger

"Passive Smoking: No Significant Danger" was the way the *London Times* headlined its report early this summer on a new study of illnesses among lifelong non-smokers.

Among some 12,000 persons studied by researchers from Britain's prestigious institute of Cancer Research for nearly 10 years, non-smokers exposed to tobacco smoke had no significant differences in incidence of ailments associated with smoking than those who were not exposed. The study reported 3,832 interviews of married cases and controls where the environmental tobacco smoking questionnaire was completed.

Illnesses examined in the study were lung cancer, chronic bronchitis, ischemic heart disease, and stroke.

Reporting their results in the *British Journal of Cancer*, the investigators said they found "no evidence of an effect of passive smoking on lung cancer incidence among lifelong nonsmokers." Nor could they find any "significant relationship" of any index of environmental tobacco smoking to risk of the [other] three diseases they studied.

The scientific team exhaustively interviewed hospital patients to compare illness rates among those who were and were not exposed to environmental tobacco smoke at home and work, in travel, and at leisure.

The *Times* report noted that "over the last few years continuous passive smoking has become widely accepted as dangerous." It called the new study "a major piece of research" and said it "has the hallmark of turning the received wisdom into one of the medical controversies of the year."

The new research joins a growing list of environmental tobacco smoke studies whose authors are sharply divided as to whether nonsmokers are at risk. The British Institute's team noted, however, substantial effort to overcome deficiencies in

earlier research including diagnostic and smoking status verifications.

Researcher contends evidence does not support higher risk of lung cancer

Current evidence does not support a significantly increased risk of lung cancer attributable to environmental tobacco smoke, according to Dr. Irving I. Kessler, professor and chairman of the department of epidemiology and preventive medicine at the University of Maryland School of Medicine.

At a lung cancer forum sponsored by the medical school and the Maryland division of the American Cancer Society, Dr. Kessler said the consensus from several studies is that a person heavily exposed to the cigarette smoking of others gets about 0.3 cigarette equivalents per day, compared with the actual number of cigarettes smoked by the active smoker.

Reliable studies of the possible adverse health effects of environmental tobacco smoke are extraordinarily difficult to do, and those studies that are done may have inherent weaknesses, he stressed.

Problems with methodology limit the conclusions that can be drawn from many of the published studies, he said, citing small sample sizes, questionable control arrangements, and inadequate differentiation of the cancer types involved.

Dr. Kessler said the constituents of sidestream smoke, which emanates from the burning end of a cigarette, differ widely from that of mainstream smoke, inhaled directly by the smoker. He saw other difficulties in the varied amounts of smoke inhaled from person to person and the rapid dilution of smoke by room size and ventilation.

He said it is difficult to measure exposure to the actual constituents of smoke and to measure nicotine, which has a very short half-life. □

Outcry against GSA smoking regulations

Local option features are expected in any federal smoking regulations that may be finally issued by the General Services Administration (GSA). The move is considered a "retreat" from plans to ban smoking in general office space of GSA-managed buildings.

The *Federal Times* under a headline "Office smoking rules eased" quoted Joseph Slye, GSA spokesman: "The regulations will be redrafted to meet a number of needs."

Terence C. Golden, GSA administrator and a fitness buff, proposed the smoking ban in most areas of the 6,800 government buildings the GSA manages. A proposed rule was inserted in the *Federal Register* May 22, with 60 days given for comment.

Nonsmokers favored

The agency said it "recognized the rights of individuals to smoke in such buildings provided such action does not cause discomfort or unreasonable annoyance to nonsmokers or infringe upon their rights."

Designated smoking areas were to be established in cafeterias and vending machine areas. Private offices could be designated smoking areas if their occupants desired.

The 60-day comment period resulted in a deluge of letters, more than 70 percent of them in opposition to the proposed rule.

Among the concerned letters was one from Constance Horner, director of the Office of Personnel Management, the agency in charge of the people who work in the federal buildings affected by any smoking rule.

She advised Golden that "certain provisions will be difficult to implement or enforce."

She also said banning smoking in open office space but not in private offices "smacks of elitism."

Consensus not flat

With the proposed regulation a bit draconian, she suggested that managers be given latitude to work out policy on an office-by-office basis and wrote that "consensus, not fiat, will ensure long-term success."

Her well-publicized letter brought prompt comment from Slye, GSA spokesman, who said the proposed "no smoking rule" will be modified to allow agency and department heads discretion in determining smoking options in common work areas.

Mike Causey, *Washington Post* columnist who covers federal personnel issues, said agency heads would have broad authority to allow or ban smoking in portions of the buildings they administer.

The *Federal Times* reported the GSA will modify the plan along lines proposed by Horner.

A count of the 25,925 comments sent GSA showed 18,749 or 72.3% against smoking restrictions. This count included the opposing letters of 18 senators and representatives.

The American Federation of Government Employees, representing 700,000 federal workers, also expressed early concern about the by-passing of "collective bargaining process where both smokers and nonsmokers are accommodated." □

Chorus of voices joins tobacco ad ban opposition

Advertising issues, already assured a spotlight in the new Congress, banned any sleepy summer this year for anti-smoking advocates, the tobacco industry, and a host of its allies.

On July 1 the Supreme Court by a 5-4 vote upheld a controversial ban by the Puerto Rico legislature on casino ads to native islanders.

The case (*Posadas vs. Tourism Company of Puerto Rico*) seemed to some to suggest that state legislatures could decide how to regulate advertising for legal products like tobacco and alcohol beverages.

Anti-smokers quickly said this would provide constitutional support for a bill sponsored by Rep. Michael Synar (D-Okla.), fresh from a constitutional victory over the Gramm-Rudman-Hollings deficit-reduction law.

Taking over model legislation promoted by the American Medical Association, Synar seeks to eliminate all tobacco promotions, from cigarette advertising to matchbook messages and sponsorship of sport and artistic events.

At a press conference to introduce the bill, Synar blamed the "deceptiveness of modern tobacco advertising" for numbing minds to the asserted health costs of smoking.

No action this session

Synar admitted the measure was unlikely to go all the way to the White House this year but predicted its likely passage even before the *Posadas* ruling. And, although Rep. Joseph Kolter (D-Pa.) later withdrew as a cosponsor, 22 House members remained as backers of the bill in early September.

Rep. Henry A. Waxman (D-Calif.), added 10 hours to the tobacco advertising debate, holding two oversight hearings July 18 and Aug. 1 before his Subcommittee on Health and the Environment.

Committee concerns

Sparse support was evident among the 25 committee members, nearly half of whom never appeared. Rep. Thomas A. Luken (D-Ohio), for one, voiced "serious reservations" about "tinkering" with the First Amendment.

"I think that what we're planning to do here, a complete ban, prior restraint on all advertising, goes well beyond the issue of tobacco," Luken said. And he questioned the making of an "advance finding of falsity as to all advertising" for a particular product.

Rep. Bill Richardson, (D-N.M.) said, "I must say I have serious reservations about this legislation, mainly because I believe it is a very strong free speech issue."

Even Rep. Don Ritter (R-Pa.), author of a bill to restrict smoking in government buildings, was "less convinced, however, about a full ban on smoking advertising."

At the July hearing, witnesses, ranging from congressmen with ad restriction bills to promote (Democrats Rep. Pete Stark of Calif. and New Jersey Sen. Bill Bradley) to celebrities like Captain Kangaroo, who said he was deeply offended by the successful marketing strategies of tobacco firms, performed before an overflow crowd.

More congressional opposition

Opposing any ban at the August hearing were experts in law, marketing, and advertising and seven tobacco district congressmen: Reps.

Charles Whitley (D-N.C.), Howard Coble (R-N.C.), Harold Rogers (R-Ky.), Robin Tallon (D-S.C.), Charlie Rose (D-N.C.), Tim Valentine (D-N.C.), and Dan Daniel (D-Va.).

Whitley saw the legislation as neither constitutional nor prudent. He said the *Posadas* case involved casino gambling and one of the first things learned in law school is that a court's editorial comments about something else, such as the reference to the legislature's restriction of "products or activities deemed harmful, such as cigarettes, alcoholic beverages, and prostitution," is a "dictum." It doesn't mean what the court



"If you start down this road, where do you stop?" asks Rep. Charles Whitley (D-N.C.) in testimony on a House bill to ban tobacco advertising.

may or may not do in some other case.

Coble saw the Synar bill substituting censorship for education. He said "it is no hyperbole to remind this committee that the same Constitution, which protects those who speak for cars, airplanes, soap, and even the Mike Synar for Congress Committee, must also protect those who speak for tobacco."

Rogers also called for extreme caution in the proposed shift in public policy—away from education programs to censoring. Rogers said that "soap advertising does not cause bathing. Gasoline advertising does not cause driving. And cigarette advertising does not cause smoking."

Tallon feared the violation of individual rights by back door efforts. "Somebody said," he added, "it is like trying to control handguns by outlawing holsters."

Rep. Fred J. Eckert (R-N.Y.), a subcommittee member, deflated criticisms of slogans in tobacco advertising by Rep. James H. Scheuer (D-N.Y.), saying they are common practice in the political area too. He observed that Ronald Reagan ran for re-election on ads that said, "It's morning again in America," when everyone knows it's mornin' every day. Jimmy Carter's slogan in 1975 was "Why not the best?" Some, he said, though this was deceptive.

When the Surgeon General canceled his appearance at the first hearing, headlines and editorials talked of the Administration's censoring free speech at a hearing considering just that. When Koop testified at the second hearing, he denied being "muzzled" by the White House chief of staff or others. He told Synar he endorsed his bill "as a person . . . I have never been given an administration position on this."



Testifying at a House hearing on tobacco advertising are, from left, Reps. Harold Rogers (R-Ky.), Robin Tallon (D-S.C.), Rep. Charlie Rose (D-N.C.), and Rep. Tim Valentine (D-N.C.).

Administration's opposition

Douglas Kmiec, Department of Justice deputy assistant attorney general, said the Administration is not convinced a case has been made for the cigarette advertising ban. Waxman interrupted to point out its Surgeon General does think the case has been made.

A second concern of the administration, Kmiec said, is that it's silly to sacrifice support of publications and the ideas they disseminate when an advertising ban would have debatable effect. Finally, for a lawful product, Kmiec said the administration prefers to come down on the side of a free, open society and trust Americans to make the correct decision.

Speaking on a panel representing the tobacco industry, Horace R. Kornegay, chairman of The Tobacco Institute, outlined industry efforts to support its position that cigarette smoking is for adults only and to substantially exceed legal obligations through a voluntary advertising code.

'Not Ad Man General'

"Bans do not work," said Jean Boddewyn, marketing professor from City University of New York, reporting on international surveys in up to 54 countries. When questioned about the opposing view of Surgeon General Koop, Boddewyn quipped, "The



"The [tobacco advertising] ban in Norway has not been accompanied by lower juvenile smoking incidence than in Spain and Hong Kong, where there are only minor advertising restrictions," testifies Prof. Jean Boddewyn, left, before a House hearing on tobacco advertising. Listening intently is the lead witness for the tobacco industry panel, Horace R. Kornegay, chairman of The Tobacco Institute.

Surgeon General is not the Ad Man General."

Scott Ward, marketing professor at the Wharton School of Business, said the proposed restrictions would be ineffective in getting people to stop smoking. Decades of advertising research clearly show, he said, that consumers are not Pavlov's dogs, malleable putty, or blank slates. Government will find no silver bullet here, he added.

Roger Blackwell, marketing professor at Ohio State University, said the mainstream view in the empirical scholarly research is that the effect of advertising on the consumption of cigarettes is insignificant. "It's said that we must scratch where people itch. But banning cigarette advertising to curb consumption is the wrong way to scratch the itch. It cannot and will not work."

No industry pressures

William Gorog, president of the Magazine Publishers Association, and Jerry W. Friedheim, executive vice president and general manager, American Newspaper Publishers Association, denied a charge that tobacco companies use pressure to influence the editorial content of publications and newspapers.

Gilbert Weil of the Association of National Advertisers was concerned about a major step to thought control, toward "big papadom" or treating "our people" as so incompetent that they cannot be left to decide whether to use some lawful product or service.

Michael Waterson, research director of Great Britain's Advertising Association, representing the American Advertising Federation, said an impartial analysis of the vast mass of evidence available can only show that advertising bans simply don't work.

John O'Toole, Washington representative of the American Association of Advertising Agencies, distinguished between advertising for new products and in mature markets. "Advertising strategies for brands in mature categories are directed toward increasing share of market and not toward category expansion," he said.

Congress headed for adjournment with no sign of further action on the Synar bill, but observers predicted it will be reintroduced in 1987. □

Teens who smoke decline as ad expenditures climb

William Kloepfer, Jr., a senior vice president of The Tobacco Institute, prepared this presentation for the tobacco advertising hearings. Significant excerpts are printed here because it dramatically shows the relation between cigarette advertising and cigarette smoking by young people.

An undocumented claim put forth by some is that cigarette advertising stimulates youth smoking.

The accompanying chart is highly relevant to that claim. The smoking data are from the government study recently released at the University of Michigan by Prof. Lloyd D. Johnston. The advertising and promotion expense data are from the published reports of the Federal Trade Commission.

Plotted against the left-hand scale are the percentages of high school seniors estimated in Professor Johnston's study as daily cigarette smokers during the 10 years ending in 1984. The right-hand scale measures annual cigarette advertising and promotion expenditures in millions of dollars over the same period.

If cigarette advertising were a significant influence on the rate of smoking by these youngsters, the two

curves would be coincident. Actually, you see what statisticians call an almost perfect inverse relationship.

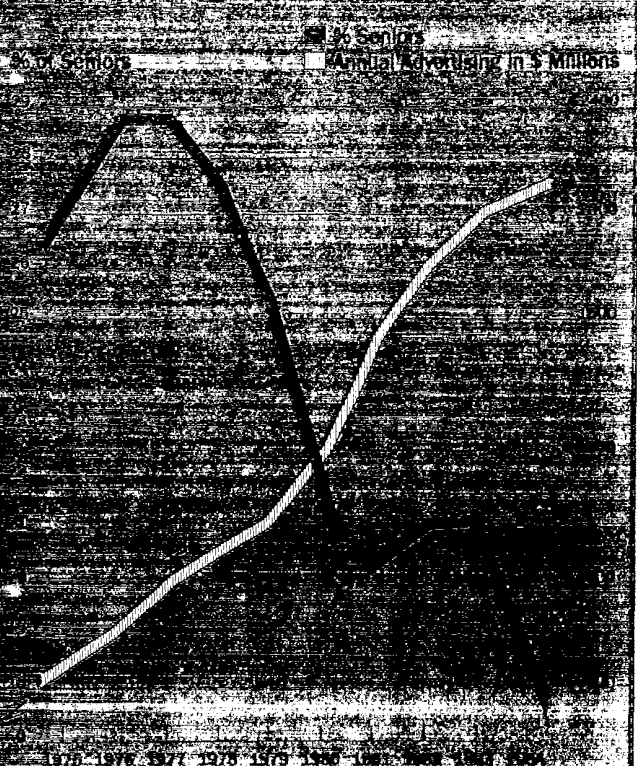
In 1975, when almost a half billion dollars went into cigarette brand advertising and promotion, 27 percent of the high school seniors were daily cigarette smokers. In 1984, when the expense level was nearly four times as high, the seniors' daily smoking population had fallen below 19 percent. That trend is true for both boys and girls.

The same study by Professor Johnston shows cocaine use remains high among young people. Indeed, cocaine use is up substantially in the latest year from its previous peak in 1984.

All of us regard these as good-news, bad-news findings. It is good news that cigarette smoking by youngsters is declining. It is bad news that any youngsters at all are smoking cigarettes. It is the worst news of all that cocaine use by young people—a product that is not advertised—is rising.

We can disprove or discard some useless hypotheses; one of them certainly is that advertising is a significant motivator of youth smoking. □

Daily Cigarette Smoking by High School Seniors & Annual Cigarette Advertising



Witnesses see serious constitutional issues

Douglas Kmiec, deputy assistant attorney general in the U.S. Justice Department, said the "remarkably different *Posadas* decision" by the Supreme Court did not settle the constitutionality issue about a total ban on tobacco advertising and promotion.

In light of earlier cases, in which the court refused to defer to the state legislature's judgment, he told the House subcommittee that the court might well conclude that a ban on tobacco advertising would not directly advance any governmental objective of reducing tobacco use.

Under questioning, Kmiec argued that the *Posadas* decision was narrowly drawn out of relatively unique culture. It was a partial ban . . . and "one has to be very cautious about drawing any grand conclusions, legal conclusions."

In an exchange with Rep. Michael Synar, sponsor of the bill to ban tobacco promotion, Kmiec said the court, rather curiously, does not deal with the previously decided court cases that would be most on the point.

Asked by Rep. Don Ritter if equal time/equal space for anti-smoking advertising might serve as some compromise, Kmiec said this seems to make things more fair, but in fact it complicates the First Amendment issue. "If you require that the only terms upon which somebody can speak is if there's somebody right there next to them that slaps them down and says, 'No, you're wrong,' that in fact may not be free speech in the first place."

Prof. Burt Neuberger of the New York Univ. School of Law saw the ban

as the rationing of information to affect the individual for his own good. Appearing at The Tobacco Institute's request, he said this covert regulation of smoking is dangerous in an open society, being inconsistent with the autonomy and dignity of the individual under the First Amendment.

Barry Lynn, Washington legislative counsel for the American Civil Liberties Union, opposed a ban, arguing that it would fail the *Central Hudson* test of directly advancing a substantial government interest, of reducing consumption. Ads, he said, have no mesmerizing effect. He wondered if we are moving to "plain brown wrappers" for cigarette packs.

Gilbert Weil of the Association of National Advertisers described the *Posadas* decision as a "micro decision masquerading in mega rhetoric" and its restriction on advertising as "inconsequential." □

Reynolds' advocacy ad called protected speech

An administrative law judge has dismissed the Federal Trade Commission's complaint that R. J. Reynolds Tobacco Co. used false/misleading information in an editorial advertisement on smoking and health. The ruling is under appeal by FTC staff.

Judge Montgomery Hyun ruled the material in the "issue" ad was constitutionally protected free speech and beyond the power of government regulation. He said the message would be "easily understood by any reader as an op-ed type piece, not a cigarette ad."

The 500-word advertisement, called "Of Cigarettes and Science," ran in newspapers and magazines from March to June 1985.

Judge Hyun said that "editorial or non-commercial speech, such as the Reynolds' ad, does not lose the full protection of the First Amendment simply because it contains inaccurate or incomplete information, or some language which may arguably be construed or misconstrued to imply a promotional message, or . . . message regarded . . . [as] objectionable."

Floyd Abrams, New York attorney who represented Reynolds, said a basic problem with the FTC staff's argument was that RJR, by virtue of its role as a major tobacco marketer,

was proscribed from expressing its views on the question of smoking.

"They were forced to say that every ad by RJR with a position on smoking was necessarily commercial speech," Abrams said. He said that's the same as saying a General Motors ad—without touting GM cars and that was part of the national debate over the 55 mph speed limit—would be commercial speech.

Opposed complaint

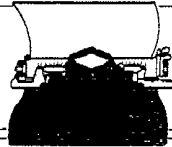
Daniel Oliver, FTC chairman, opposed the decision to file the complaint: "I believe that, as a matter of public policy, it is valuable for the public to hear all sides of an issue, and I am concerned about taking any action that may inhibit free expression of views that might not be popular to government regulators."

Editorial reaction was generally favorable to the judge's decision.

Advertising Age "welcomes Judge Hyun's reaffirmation of corporate America's right to employ advertising to argue its cause, no matter how desparate others might consider that cause to be."

"The judge . . . makes an impeccable constitutional argument and his opinion deserves to be sustained by the [FTC] commission," judged the *New York Times*. □

EDITORIALS



Demythologizing advertising

Reviewing the advertising issues of the past few months, any impartial observer must realize that the cigarette industry fared rather well. Early attempts to muzzle companies and the industry at large have failed. Instead, a significant number of experts, leaders of associations in the advertising field, and editors objected to the placing of bans or restrictions on legal advertising and questioned the wisdom, effectiveness, and constitutionality of such steps.

An administrative law judge in the Federal Trade Commission, moreover, made an important freedom of speech ruling, allowing a tobacco company to express itself in a paid editorial advertisement on a smoking and health issue.

Complex advertising issues should be much clearer for many Americans. Unsubstantiated charges about advertising have been debated in media across the country and refuted in public forums. As the issues were examined, several points stood out.

First, the importance and effectiveness of advertising can be overemphasized, even in a consumer society. Advertising holds no untold magical influences. The consumer is fickle. The world is complex. The best laid advertising plans as often as not go astray before an inattentive public.

Second, major consumer changes are rarely wrought by advertising. Surprising as it may be to some, advertising does not create consumer wants or needs, it simply tells readers and listeners how to meet them. The question of anti-smoking activists: "Why do they spend all this money?" has been shown to be a cry of bewilderment about advertising's functions.

All this is strikingly evident in the history of cigarette smoking, whether it be by women or the switching of men from chewing tobacco and cigars to cigarettes, a type of smoking that was considered feminine in the years after World War I. Social changes, production improvements, and convenience of use were much more important than advertising, according to sociologist Michael Schudson. Advertising followed rather than led the spread of cigarette smoking.

Today, this is also true in the mature cigarette market where a switch by only one in 200 smokers can make a product a winner, and consumer loyalty can keep it so. The point that came through again and again in the recent discussions is that cigarette advertising is not a significant factor in the decision to smoke but simply a vehicle for interbrand competition. Those who would ban such advertising missed this point. □

Yet, many good years...

Let *The Observer* voice join with those of Mr. Frank Resnik, Mr. Samuel D. Chilcote, Jr., and other associates of Horace R. Kornegay in wishing him well in his future undertakings. This wish is easy to make for this gracious leader. The announcement of his departure after an unusually long period of accomplishments on the front lines of an active trade association was an emotional one for old hands and newcomers at The Institute. More than a few had watery eyes. Evidently, his words about cherished relationships and friendships were reciprocated.

Among many good things at the Washington office is the cordial regard Mr. Kornegay has for the staff. New arrivals remarked on the chairman's greeting them—a simple gesture that helped set the tone for challenging work and cherished relationships that will continue under Mr. Chilcote's leadership. □



Editor's note: Rather than raise your blood pressure over smoking disputes, try Rabbi Roth's limerick writing.

Submit the following limerick-like pentasticks from my unpublished poetry manuscript, entitled "Dear . . . ,"

1) Dear Anti-Smoker,
In a world racked with anguish and pain
Millions diseased, starved, and slain
It must be a joke
When you make my smoke
The burning issue of survival campaign.

2) Dear Anti-Smoker,
If you really, truly, and honestly care
About my breathing in smoke-filled air
Why don't you share
My tremendous despair
Over prematurely losing my hair.
Rabbi Michael Roth
Tarzana, Calif.

Our weekly *Suttertown News*, about two or three years ago, felt it was necessary to begin using cigarette ads to maintain its budget. After each issue, the letters to the editor column consisted of denunciations of the new policy and predictions of the dire calamity that would befall both circulation figures and advertising space.

This went on for several months, and I became a little curious about the situation. So I sent the paper a letter to the editor, stating that I thought enough space had been dedicated to the issue and wondered what had been the observed effect.

The published answer was that they had noticed no change in either circulation or advertising.

My guess would be that [efforts to voluntarily restrict advertising] have had little or no effect. If so, then the threats of such a campaign will be shown to have been paper tigers in the past and very likely will continue to be ill-based in the future.

Bruce Tyler
Sacramento, Calif.

First of all, I say I enjoy the *Observer*. Read it all through. Thanks for a paper that gives honest information. [With cigarette ban], I can still stay home. I can boycott the restaurants and places of business. I'm only one, but it would satisfy me.

R. K. Brown
Phoenix, Ariz.

Smoking ban bothers Alabama personnel

By Deborah Evans

Smoking restrictions at an Alabama Army base has one serviceman guarding his coffee cup, wondering if caffeine will be the next target of health guidelines. Others voice concerns about job performance.

Spec. 4 Tim Edwards started smoking cigarettes when he was about 12 years old. He now smokes up to two packs a day. He enjoys it. Edwards claims it helps him do his job with a military police unit at the Fort McClellan Army post near Anniston, Ala.

For that reason, the 20-year-old soldier is unhappy with the Army's new policy that limits smoking to designated areas.

"I think it will decrease job performance," Edwards said.

Enlistment question

Edwards said the ban has some soldiers, including himself, thinking twice about re-enlisting. There may be some potential recruits who won't enlist at all because of the new restrictions, he said.

After years of kicking the idea around, the Army, and then other branches of the armed forces, recently adopted the anti-smoking policy, which covers all enlisted personnel and officers. The Army ban prohibits smoking in any building on the post or in military vehicles and aircraft. Stiff penalties, including

court-martial, are possible for violators.

The policy, which also bans smokeless tobacco use, is aimed at protecting nonsmokers while improving overall physical readiness, Army officials say.

Losing basic right

Edwards is among those who claim they are losing a basic right.

So too does Staff Sgt. Eddie Adkins, a nonsmoker.

"This is America. This is freedom. What next? Will they take candy away from the kids in the store?" he asked.

"They're really taking away constitutional rights, but that happens in the Army," Edwards said.

Shari Kohlbecker, a civilian employed by the Army as a secretary, said the policy will inconvenience her, but she has no intention of quitting smoking.

Mrs. Kohlbecker, who used to smoke in her office, said she now must go outside to smoke. She will continue to do so, even when there is "wind, rain, and cold weather," she said.

What next?

Some smokers and nonsmokers are asking what the Army may ban next.

Already in Europe, American soldiers cannot buy toothbrushes with extra-firm bristles because they are considered unhealthy, said Staff Sgt.

Mike Gelfand, a public affairs specialist.

The Army could just as easily ban alcohol, or it could ban coffee because caffeine is considered unhealthy, he said.

"Many people feel this is an erosion of their rights," Gelfand said.

The impact won't be as great on those such as Sgt. Maj. JW Braden. Because he has a private office, he can continue smoking.

Braden, who soon will retire from the Army after 30 years' service, said he approves of the policy because "nonsmokers have the right to a smoke-free environment."

Still, he has some reservations.

"As I look around the post, I see an awful lot of people outside smoking. If the Army is going to require smokers to be in a separate area, then it should provide a space for them," he said.

Braden said he believes the Army's objective is eventually to get people to stop smoking—period. But he doubts that will happen. □



By Gary Brooks © by and permission of News America Syndicate, 1986

Compromise called key to ending smoking disputes

Compromise, not confrontation, is the key to solving the issue of smoking in the workplace, an attorney for a tobacco manufacturer asserted at a conference held at Pace University, White Plains, N.Y.

"Despite the impression sometimes conveyed by media reports, workplace smoking is neither the issue of our time, nor an issue that cannot be handled with the application of plain old common sense," said Arthur J. Stevens, senior vice president and general counsel for Lorillard.

Stevens delivered his remarks at a conference, "Recent Developments in Labor Relations and Employment Law," held at the Glass Law Center, Pace University, and sponsored by the Law School's Office of Continuing Legal Education and the County Chamber of Commerce.

Also speaking on the smoking issue was John T. Herbert, counsel for Pitney Bowes. He detailed the company's workplace smoking policy.

Concerning workplace smoking, Stevens said, "Our own very strongly held view is that most disputes concerning workplace smoking can be best and most quickly resolved by the employees themselves, using basic courtesy as their guide."

When compromise cannot be reached, he urged that the employer intervene but only with a flexible policy that shows consideration for both smokers and nonsmokers.

To bear out his assertion, Stevens explained that a study done by the

Human Resources Policy Corporation for The Tobacco Institute found that almost two-thirds of the responding companies did not have a formal smoking policy, preferring instead to have employees work out problems among themselves.

"Prudent accommodation still appears, for the most part, to be the order of the day for most companies," according to Stevens.

He stressed that tobacco companies don't believe that smokers should be permitted to smoke whenever and wherever they want.

Smokers Reasonable

"We believe that most smokers, particularly in the workplace environment, are prepared to accept reasonable restrictions on smoking when there is a need for them to do so," he noted.

In working on the issue, he pointed out that The Tobacco Institute has provided assistance to more than 2,500 companies, labor unions, and government agencies.

For those who resort to the courts to ban smoking in the workplace, Stevens pointed out that the courts have refused to permit the Constitution or, with one exception, the common law, to be used as a means of banning or restricting workplace smoking.

"In summary," he said, "the courts generally have indicated that they are not prepared to operate either as a sword or a shield in the typical dispute concerning workplace smoking." □

COMMENTARY

Another view of restrictions

"The smoking restriction movement should be viewed," Raymond J. Pritchard, chairman and CEO, Brown & Williamson Tobacco Corp., told the annual meeting of the Tobacco Merchants Association, "for what it is—a disreputable effort on the part of the anti-smokers to achieve indirectly what they have failed to achieve directly."

Frustrated by the voluntary decision of many Americans to continue to use and enjoy tobacco products, and reluctant to call for outright prohibition, the anti-smokers have apparently decided to attempt to put a hobnail boot on every smoker in America—to embarrass smokers into quitting," Pritchard continued.

Science, in this endeavor, is not an ally for the anti-smokers but an inconvenient obstacle, to be removed through manipulation and half-truths. The anti-smokers are doing their best to ignore, among other things, that eminent scientists at three international conferences have concluded that environmental tobacco smoke has not been shown to be a health hazard to the nonsmoker.

That anti-smoking zeal

Under this headline, the Worcester Telegram, Mass., carried an editorial that read in part, "...inch by inch, the snuff-out-smoking campaign has been gaining on its objective—the ultimate ban on the sale and the use of tobacco products. On the same day that a scientific study recommending a ban on cigarette smoking on all domestic airline

flights is announced, Auburn [Board of Health] decides to restrict or prohibit smoking in various locations.

Both measures smack of serious interference with freedom of choice and individual rights. It's time for the reformers to slow down.

Some of the proposed and enacted government regulation emerging these days lacks reason and logic. Even scientific fact is ignored in pursuit of the objective. There is no proof that current levels of cabin smoke in planes pose a health risk for passengers or crew. Nor is there evidence that most restaurant customers are subjected to health risks if other diners in the same room enjoy cigarettes.

Auburn doesn't need regulations where the marketplace is working. Most restaurants already have designated smoking/nonsmoking sections in place. Owners have responded to the wishes of customers. They didn't need a regulation to do it, either.

In the final analysis, until insurmountable evidence compels federal action, smoking remains a matter of individual choice. We don't need government forcing the issue.

'Of considerable concern'

"If the ban [on smoking in federal buildings by GSA Administrator Terence Golden] is imposed, it will represent a massive exercise of power by a single individual who isn't accountable to anybody, and this should be of considerable concern to nonsmokers as well as smokers," wrote Jerry Heaster in the Kansas City Star. □

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Hardy tobacco farmers riding out Southeast's worst drought in century

By Reggie Lester

Tobacco growers will long remember the 1986 season. It had more twists and turns than a roller coaster.

As farmers prepared plant beds during the winter, they watched Washington anxiously, waiting work on legislative changes in the tobacco price support and production control program. When Congress passed the Tobacco Program Improvement Act this spring, growers began to get details on their quota, price support level, and no-net-cost assessments.

With needed data in hand, growers could complete plans for their main cash crop, including fixed costs, amount of production, and anticipated return.

Weather takes over

In early spring they transplanted the seedlings that eventually would produce "America's golden leaf." But weather, the greatest variable of all, took over, and the growers' stomach-churning ride began.

The worst drought in 100 years struck in January and lasted through July. The lack of rain was devastating to vegetation in the Southeast. The tobacco crop was somewhat of an



exception, however. In most areas, the plants waited patiently for rain, while corn, soybeans, fruits, vegetables, and other crops withered in the fields.

Among tobacco growers, those in South Carolina and Georgia were hit hardest by the drought. Sections of North Carolina, Virginia, Kentucky, and Tennessee also experienced damage. Thus, virtually the entire tobacco-producing belt was affected.

Generally, areas east of Interstate 95 in the coastal plain section of the flue-cured region had adequate rainfall. Larry Wooten, a Pender County, N.C., flue-cured grower, said, "We almost had too much rain," noting that his farm is only some 40 miles from the coast and its frequent showers.

Growers west of I-95 experienced the most damage from the drought and had the longest dry spell. For example, the area west of Greensboro, N.C., has had only 50 percent of normal rainfall.

Accompanying the lack of moisture in most sections were record high temperatures, which made drought conditions worse. With temperatures hovering around the 100-degree mark for weeks in July, further damage occurred. One headline writer put it this way:

"Carolina border belt tobacco is raised to be burned—but not like this."

Effect of August rains

Mercifully, showers poured down on Tobaccoland U.S.A. in August, alleviating the crisis for most growers. Tobacco, which had been sitting in the dusty soil, suddenly began to shoot up.

N.C. State Sen. James Speed, a tobacco warehouse operator in Louisburg, N.C., said that "our tobacco grew the equivalent of three to four weeks in about seven days [after the August rains]. It was amazing. And I think it's going to make a pretty good crop."

The next turn of this wild ride occurred when cooler than normal temperatures in August and September delayed the leaf's ripening.

"I've got 80 percent of my tobacco in my field," said F. W. "Billy" Fisher, Jr., of Battleboro, N.C. "Most of my life on this farm, we're through putting up tobacco by Labor Day or mid-September."

Most flue-cured farmers are harvesting one to two weeks later than normal. In the worst drought-stricken areas to the west, flue-cured growers in the Piedmont and burley growers in the mountains of North Carolina are running three to four weeks late.

In some instances in the east, heavy showers made the sandy loam so wet farmers could not get into their mature fields to harvest.

"Our tobacco was ready, but we couldn't get to it," said Atlas Wooten of Pitt County, N.C. "We'll have to take it all off in the last harvesting."

Wooten, chairman of the North Carolina Farm Bureau's tobacco advisory committee and president of the Tobacco Growers' Information Committee, said he was now concerned an early frost in October or November could destroy the tobacco remaining in the field.

"That the drought would delay harvesting and cause growers to lose the most profitable part of their crop—the upstalk tobacco—would be the worst irony of the entire season," Wooten judged.

"Overall I think we will have a good flue-cured crop," said B.C. Langston of the Federal-State Market News Service in Raleigh, N.C. "With adequate rain in the east, production and quality should not be adversely affected on the whole."

Langston pointed out the huge eastern belt accounts for about 45 percent of the total flue-cured crop; therefore, belt-wide averages will probably not show much damage because of the drought.

"But don't tell that to the growers in South Carolina and some isolated areas in other states," Langston said,

noting the averages tend to obscure the grave problems some growers are experiencing. "You really have to look at it on a market-by-market basis."

Loss estimates

The 1986 effective flue-cured quota is 699.4 million pounds. The Crop Reporting Service estimated in September that flue-cured growers would produce about 674.7 million pounds, a shortfall of about 25 million pounds.

Assuming a final market of \$1.55 a pound, growers will lose about \$39 million. This loss could have been even higher without the 40 million to 50 million pounds of 1985 tobacco sold this year, pushing the total loss to over \$100 million.

If growers do sell about 40 million pounds of 1985 leaf this year, they will recoup over 60 percent of the potential loss from the drought. In addition, they will be able to grow up to three percent above next year's quota and make up for most of the rest of the loss.

Thus, one of the basic benefits of the tobacco program is demonstrated. By carefully controlling production and eliminating the "boom or bust" cycle found with other commodities, growers are able to survive what otherwise would have been a disastrous season.

Higher net possible

In 1985, the average market price for flue-cured tobacco was \$1.72 a pound. Growers paid a 25-cent assessment, leaving a net return of \$1.47 a pound before other fees, such as grading and warehouse charges and promotion contributions, were deducted.

This year, assuming a \$1.55 market price, growers could net about \$1.525 a pound after deducting a 2.5-cent per pound assessment, or some six cents a pound higher than last year.

If production figures this year are not reduced significantly by the drought, flue-cured growers could net some \$130 an acre more than last year (\$.06 x 2,200 pounds/acre). A producer growing 25 acres could expect over \$3,300 additional income this year.

As of the 30th sales day this year, receipts of the Flue-Cured Tobacco Cooperative Stabilization Corp., the growers' organization that administers the price support component of the tobacco program, were down 400 percent.

This time last year the co-op had received 95 million pounds of leaf compared to 20 million pounds this year, a reduction of 75 million pounds for which growers will not be responsible under the no-net-cost program.

Some conclusions

The roller coaster trip is about over for flue-cured farmers this year. Burley farmers and producers of other types still have further challenges facing them before they can get off the ride. But some conclusions appear to be evident about this year's crop and the people who grow it.

The 1986 season demonstrates once again the toughness of the tobacco plant. Generally, it stood up to the lack of rain and excessive heat,

eventually got some moisture, and grew to maturity while other crops died in the field.

Tobacco growers are a lot like their crop. They have endured some extremely difficult times in recent years and weathered the storm. They received some assistance through the passage of the tobacco program legislation and completion of the inventory purchase agreements between the growers' cooperatives and four U.S. cigarette makers. □

Tax hike

continued from pg. 1.

In order that there can be no misunderstanding concerning my views, I assure you that I will not sign a budget reconciliation bill that includes any new increase in cigarette excise taxes.

Shortly before midnight, the Senate approved a package amendment by Sens. Pete Domenici (R-N.M.) and Lawton Chiles (D-Fla.) that deleted the proposed cigarette excise tax.

Senate Republican leadership also wanted the tax dropped because of the political damage it could do to Republicans in tobacco-growing states, especially North Carolina.

Senator Chafee, in remarks entered in the *Congressional Record*, said he was prepared to resubmit the cigarette excise tax increase but would not offer that amendment because of the letter from the President stating that if adopted he would veto the entire bill.

The Senator said the across-the-board cuts required by Gramm-Rudman-Hollings would be devastating to many important programs and promised to propose the cigarette tax again next year. He entered in the *Record* a 47-member ad hoc group, primarily of health and activist organizations, in favor of a 32-cent federal cigarette excise tax.

House rejected tax

The House Ways and Means Committee strongly rejected a plan to raise the cigarette tax in a July vote of 28 to 4, with members complaining that it was unfair to single out one industry for higher taxes without further study.

Again in September the committee members balked at any excise tax increases, despite their chairman's continued hints of the need for additional revenues from cigarette excises to meet budget reconciliation targets and repeated support for an increase in the cigarette tax from House Speaker Thomas O'Neill (D-Mass.), who said that "there's nothing wrong with taxing sin."

Media alert

The Tobacco Institute alerted 20,000 media personnel in 33 targeted states about the impact of the proposed cigarette tax increase. Specifically tailored news releases described the regressive tax impact on each state's consumers, pointing out that a permanent 100 percent increase just became law six months ago.

As the Senate and House deficit-reduction plans moved toward final approval, they enjoyed bipartisan and general administration support. Both contained accelerated collections of tobacco excise taxes. And both lacked any new cigarette excise tax increases. □