



06:08:51 PM

Record Type: Record

To: Christine N. Macy/WHO/EOP

cc:

Subject: Tobacco issue

Of course you should fiddle with this:

We have an historic opportunity to pass bipartisan legislation this year which both contains the elements necessary to reduce teen smoking in America and provides adequate protection for tobacco communities. The President is doing everything he can to put politics aside and pass legislation that will achieve that objective.

The President believes that the McCain bill, a bipartisan bill in the Senate, represents a dramatic step forward. It would raise the price of cigarettes, give the FDA full authority to regulate tobacco products, ban advertising aimed at children, and protect tobacco farmers.

But he also believes we still have some work to do on this legislation. Above all, we need to put in place tough penalties that will cost the tobacco industry if it continues to sell cigarettes to young people. We're not trying to put the tobacco companies out of business; we want to put them out of the business of selling cigarettes to kids. We are gaining powerful momentum across the nation and in Congress, evidenced by the 19-1 vote in favor of Senator McCain's bill in the Senate Commerce Committee.

**PRESIDENT CLINTON:
REDUCING TEEN SMOKING -- AMERICA'S PRIORITY**

April 9, 1998

"We will not abandon tobacco farmers. They haven't done anything wrong. They've been growing a legal crop. Farmers didn't create the problem of youth smoking... but farmers and their communities will be included in the solution."

President Bill Clinton

April 9, 1998

Today, President Clinton travels to Kentucky to meet with tobacco farmers and address students at a local high school. The President's trip highlights his commitment to reducing youth smoking and protecting farmers -- two key elements of the bipartisan comprehensive tobacco legislation the President has called on Congress to pass this year.

In an effort that can save one million lives over the next five years, President Clinton is committed to passing comprehensive legislation to stop young Americans from smoking before they start.

A Strategic Plan For Reducing Youth Tobacco Use. President Clinton's plan for comprehensive tobacco legislation includes five key principles:

- Tough penalties and price increases to reduce youth smoking, including price increases of up to \$1.50 if necessary over the next ten years;
- Full authority for the FDA to regulate tobacco products, including authority of the manufacture, sale, and advertising of tobacco products;
- The tobacco industry must change the way it does business, including ending its marketing and promotion to kids;
- Progress toward other public health goals, including biomedical and cancer research, a reduction of second hand smoke, promotion of smoking cessation programs, and other urgent priorities; and
- There should be protection for tobacco farmers and their communities so they do not suffer economically because of this legislation.

A Strong Foundation For Future Tobacco Reform. The McCain-Hollings tobacco reform bill currently in the Senate is a good start on the road to passing comprehensive tobacco legislation. The bill will make significant inroads on youth smoking by increasing the price of a pack of cigarettes substantially -- by \$1.10 within five years. It gives the FDA the full authority it needs to regulate tobacco products,

including youth access and advertising. And it also protects tobacco farmers and their communities so they do not suffer economically because of this legislation.



SUNTUM M @ A1
04/03/98 11:53:00 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: 1998-04-04 President's Radio Address

THE WHITE HOUSE

Office of the Press Secretary

Embargoed For Release
Until 10:06 A.M. EST
Saturday, April 4, 1998

RADIO ADDRESS BY THE PRESIDENT TO THE NATION

The Roosevelt Room

THE PRESIDENT: Good morning. The First Lady and I have just returned, exhausted but exhilarated, from our trip to Africa. I know that many of you traveled along with us day by day through television and the Internet, but I wish every American could have seen up close the renewed hope and restored pride that is evident in the six countries we visited. We saw parents building futures where their children will be free from want, free from injustice, free from disease, and free to go as far as their God-given talents will allow.

This morning, I want to report on the progress we're making in our country to free children from two of the greatest health and safety dangers they face: the cruel and deadly lure of smoking and the lethal combination of drinking and driving.

Three years ago, appalled by how many children were becoming addicted to cigarettes every year, the Vice President and I committed this administration to stopping the sale and marketing of cigarettes to children. Today, thanks to these efforts and the persistence of state attorneys general, the public health community, and leaders in Congress, we have the best opportunity ever to pass comprehensive anti-smoking legislation that will save millions of our

children from a premature, painful, and very preventable death.

This week, in an historic and resounding 19 to 1 vote, a key Senate committee gave its stamp of approval to comprehensive legislation sponsored by Senator John McCain, a Republican, and Senator Fritz Hollings, a Democrat, that would cut youth smoking by half over the next decade. This bill represents a dramatic step forward. It would raise the price of cigarettes, give the FDA full authority to regulate tobacco products, ban advertising aimed at children, and protect tobacco farmers.

We still have work to do on this legislation. Above all, we need to put in place tough penalties that will cost the tobacco industry if it continues to sell cigarettes to young people. Just this week the Centers for Disease Control released a disturbing report that found that more than a third of teenagers in the United States now smoke, even though it's illegal.

It is time to hold tobacco companies accountable. Reducing youth smoking must be everybody's bottom line. Let's remember -- this is not about politics or money, or seeking revenge against the tobacco industry for past practices. We're not trying to put the tobacco companies out of business; we want to put them out of the business of selling cigarettes to kids. This week's progress in the Senate shows we have real momentum in both parties to do just that.

Unfortunately, this week the Congress also took a step backward on efforts to cut down on drunk driving, a horror that has shaken nearly every American community. Republican leaders in the House blocked a full vote on an important measure to encourage states to adopt a stricter definition of drunk driving. That has already passed the United States Senate. I urge the House leadership to reconsider its unwise action.

A stricter definition of drunk driving will not prevent adults from drinking responsibly, but it will save thousands of lives. There are fewer than 75 days remaining on Congress's legislative calendar. But as we saw this week in the Senate, when we set aside partisan differences and keep our eyes on the prize of dramatically improving our children's health, we can make remarkable progress in record time.

There's still many issues to be worked out and many long nights ahead. But we have within our grasp one of the most important public health victories our nation has ever achieved.

Finally, let me just pause a moment to observe the 30th anniversary of the death of one of America's greatest heroes, Dr. Martin Luther King. His dream, deeply rooted in the American Dream, is a dream for all Americans. It's a dream, as I recently saw, shared by millions and millions of people around the world. Let us here at home always strive to heed Dr. King's words and live up to his legacy.

Thanks for listening.

END

Message Sent To:

**NATIONAL KICK BUTTS DAY:
SAYING "NO" TO TOBACCO AND "YES" TO LONGER, HEALTHIER LIVES**

March 23, 1998

"Arming our children with the tools they need to say no to tobacco products is the most effective way I know to prevent them from picking up this deadly habit. As we work to pass comprehensive legislation to reduce youth smoking, President Clinton and I are committed to finding news ways to teach children that saying "no" to tobacco means saying "yes" to a longer, healthier life."

Vice President Gore
April 1, 1998

Today, Vice President Gore attends a National Kick Butts Day, joining more than 700 students in celebration of kids fighting back against the marketing and advertising of tobacco products to young people. Kick Butts Day events are taking place today in more than 300 locations in all 50 states. The Vice President leads the Administration's Kick Butts Day effort which includes appearances by Cabinet Secretaries and other Administration representatives at events all over the country.

President Clinton and Vice President Gore are committed to passing comprehensive legislation to stop young Americans from smoking before they start, in an effort that can save one million lives over the next five years.

A Strong Foundation For Future Tobacco Reform. The President and Vice President believe that Senator McCain and Senator Hollings' bill that was voted on in the Commerce Committee yesterday represents a good start on the road to passing comprehensive tobacco legislation this year. We must continue to work with Senator McCain and others to strengthen this bill by imposing stronger penalties to make reducing teen smoking the tobacco industries bottom line and ensure that tobacco revenues are used to promote public health and assist children.

New Steps To Reduce Youth Tobacco Use. The Vice President announces several new efforts aimed at reducing youth tobacco use, including:

- the National Education Association's "Kids Act to Control Tobacco" program that motivates and mobilizes teachers, students (grades 6-8) and parents to become tobacco control advocates at the grassroots level;
- the Girl Scouts project to make resources available to kids and adults to show why smoking is so dangerous and wrong;
- Girls Incorporated's "teach-in" effort coordinated as part of their Stamp Out Smoking campaign;
- New Ads to Deter Teen Smoking. Channel One News, which reaches 1 million school aged children, will produce and broadcast a series of informational updates about teen smoking and health.

A Strategic Plan For Reducing Youth Tobacco Use. The Clinton-Gore plan for comprehensive tobacco legislation includes five key principles:

- A comprehensive plan to reduce youth smoking by raising the price of packs of cigarettes by up to \$1.50 over ten years through a combination of annual payments and tough

penalties on the tobacco industry;

- Full authority for the Food and Drug Administration to regulate tobacco products;
- Changes in the way the tobacco industry does business, including ending marketing and promotion to kids;
- Progress toward other public health goals, including biomedical and cancer research, a reduction of second hand smoke, promotion of smoking cessation programs, and other urgent priorities; and
- Protection for tobacco farmers and their communities.

THE CLINTON-GORE ADMINISTRATION: ENSURING THE HEALTH AND SAFETY OF AMERICAN FAMILIES

March 30, 1998

The Administration is committed to ensuring the health and safety of American families. Today, Chief of Staff Erskine Bowles reaffirmed President Clinton's commitment to protecting our children from the threat of tobacco and emphasized the Administration's commitment to working with the bipartisan leadership in Congress to achieve this goal. Later in the day, Secretary Shalala and Deputy Attorney General Holder joined Representatives Lowey and Canady to emphasize the importance of the pending House legislation setting a nationwide limit for impaired driving at .08 blood alcohol content (BAC).

A Strong Foundation For Future Tobacco Reform. The McCain bill is a strong foundation for furthering efforts to reduce youth tobacco use, but there is still room for significant improvement. The bill will make significant inroads on youth smoking by increasing the price of a pack of cigarettes substantially --by \$1.10 within five years. It also gives the FDA the full authority it needs to regulate tobacco products, including youth access and advertising. But we must continue to work with Senator McCain and others to strengthen this bill by imposing stronger penalties on companies that continue to sell cigarettes to our children and ensuring that tobacco revenues are used to promote public health and assist children.

A Strategic Plan For Reducing Youth Tobacco Use. President Clinton's plan for comprehensive tobacco legislation includes five key principles:

- A comprehensive plan to reduce youth smoking by raising the price of packs of cigarettes by up to \$1.50 over ten years through a combination of annual payments and tough penalties on the tobacco industry;
- Full authority for the Food and Drug Administration to regulate tobacco products;
- Changes in the way the tobacco industry does business, including ending marketing and promotion to kids;
- Progress toward other public health goals, including biomedical and cancer research, a reduction of second hand smoke, promotion of smoking cessation programs, and other urgent priorities; and
- Protection for tobacco farmers and their communities.

The .08 BAC Standard Saves Lives. President Clinton is pushing for tough new legislation to set the BAC level at .08 for drunk driving. In 1996, of the 41,907 motor vehicle deaths, 41% -- or 17,126 -- were alcohol-related. Nearly 3,000 of

these fatalities were young people under age 21. Over 80% of drivers involved in fatal crashes with positive BACs had levels exceeding .08 BAC. Moreover, alcohol-related crashes cost society \$45 billion every year, not counting the pain and suffering endured by its victims. When all states lower their BAC limits to .08 BAC, alcohol-related deaths are expected to decrease by 600 each year.

Saving Lives Should Not Be A Partisan Issue. Indeed, the bipartisan work of Congresswoman Lowey and Congressman Canady and Senators Lautenberg and DeWine on the .08 legislation proves that when leaders from both parties come together, we can set aside political differences to save lives and serve America. President Clinton hopes that the majority of the House will join the large bipartisan majority in the Senate, and pass legislation that will make our streets safe, our drivers sober, and our laws more sensible.

**PRESIDENT CLINTON:
STOPPING THE MARKETING OF TOBACCO TO ALL CHILDREN**

April 27, 1998

"The facts are as plain as the stakes are high: Three thousand children begin to smoke every day, even though it's illegal in every state, and 1,000 will die earlier because of it. All these children have been targeted by a massive, multimillion-dollar media campaign that preys on their insecurities and their dreams... We are fighting for the lives of our children. We are fighting for the public health, and we are fighting against predatory practices by tobacco companies that have targeted our children."

President Bill Clinton
April 20, 1998

Today, President Clinton holds a White House event to release a new report from Surgeon General David Satcher on tobacco use among minority populations. The report highlights the rising rate of teen smoking in many ethnic and minority groups and underscores the urgent need for comprehensive legislation to reduce youth smoking.

Documenting Disturbing Trends In Tobacco Use. The Surgeon General's report is the most comprehensive compilation of research to date on the use and health effects of tobacco on minority populations, including African Americans, Hispanics, Asian Americans, and American Indians/Alaska Natives. The report shows that:

- Teen smoking rates are rising in many of these groups. Between 1991 and 1997, smoking rates among African-American high school students rose a startling 80%, and by 34% among Hispanic high school students. The most data on Asian American and American Indian/Alaska Native youth shows that, from 1990 to 1995, cigarette smoking increased by 17% and 26% respectively.
- Cigarette smoking is a major cause of death and disease for minority and ethnic groups. Lung cancer is the leading cancer death for all four minority groups examined in the study. The increase in youth smoking threatens to reverse recent progress made against lung cancer among these groups.
- Tobacco advertising targeted at ethnic and minority communities pose serious challenges to efforts to reduce smoking in these populations. Tobacco products are advertised intensively to minority communities; in one city, for example, 62% of billboards in predominantly African American neighborhoods advertised cigarettes, compared with 36% of billboards citywide.

A Strategic Plan For Reducing Youth Tobacco Use. President Clinton is committed to passing comprehensive legislation to stop young Americans from smoking before they start -- an effort that can save one million lives over the next five years. The President's plan for comprehensive tobacco legislation includes five key principles:

- A comprehensive plan to reduce youth smoking by raising the price of packs of cigarettes by up to \$1.50 over ten years through a combination of annual payments and tough penalties on the tobacco industry;

- Full authority for the Food and Drug Administration to regulate tobacco products;
- Changes in the way the tobacco industry does business, including ending marketing and promotion to kids;
- Progress toward other public health goals, including biomedical and cancer research, a reduction of second-hand smoke, promotion of smoking cessation programs, and other urgent priorities; and
- Protection for tobacco farmers and their communities.

PRESIDENT BILL CLINTON: FIGHTING FOR AMERICA'S CHILDREN

April 20, 1998

"Today, Congress returns to work, and to its obligation to act on the most critical public health threat facing our children. Over the next five weeks, this Congress has an historic opportunity to pass bipartisan, comprehensive legislation to protect our children from tobacco. Congress must not let this opportunity slip away."

President Bill Clinton
April 20, 1998

Today, President Clinton issues a strong statement calling for Congress to pass comprehensive, bipartisan tobacco legislation to reduce teen smoking.

Clear Facts, High Stakes. 3,000 children begin to smoke every day; 1,000 of them will die early as a result. President Clinton is committed to passing comprehensive legislation to stop young Americans from smoking before they start, in an effort that can save one million lives over the next five years.

A Strong Foundation For Future Tobacco Reform. President Clinton believes that Senator McCain and Senator Hollings' tobacco legislation bill, which passed the Commerce Committee three weeks ago, is a strong step in the right decision on the road to passing comprehensive tobacco legislation this year.

Standing Strong For Comprehensive Reform. In the days to come, the tobacco industry will work to persuade Congress to pass weaker legislation that will not reduce teen smoking. We must continue to work with Senator McCain and others to make reducing teen smoking the tobacco industries bottom line.

A Strategic Plan For Reducing Youth Tobacco Use. President Clinton's plan for comprehensive tobacco legislation includes five key principles:

- A comprehensive plan to reduce youth smoking by raising the price of packs of cigarettes by up to \$1.50 over ten years through a combination of annual payments and tough penalties on the tobacco industry;
- Full authority for the Food and Drug Administration to regulate tobacco products;
- Changes in the way the tobacco industry does business, including ending marketing and promotion to kids;
- Progress toward other public health goals, including biomedical and cancer research, a reduction of second-hand smoke, promotion of smoking cessation programs, and other urgent priorities; and
- Protection for tobacco farmers and their communities.



Record Type: Record

To: Christine N. Macy/WHO/EOP

cc:

Subject: some tobacco language

CALLED ON CONGRESS TO PASS COMPREHENSIVE TOBACCO LEGISLATION THIS YEAR. The President also reiterated his call for Congress to pass comprehensive tobacco legislation this year that includes his five key principles:

- A comprehensive plan to reduce youth smoking, including: significant price increases; tough penalties on tobacco firms that continue to market to youths; public education and counter advertising; and expanded efforts to restrict access and limit appeal.
- Full authority of the Food and Drug Administration to regulate tobacco products.
- Changes in how the tobacco industry does business, including an end to marketing and promotion to children and broad document disclosure.
- Progress towards other public goals, including a reduction of secondhand smoke; promotion of cessation programs; public health research; and the strengthening of international efforts to control tobacco.
- Protection for tobacco farmers and their communities.

REITERATED THAT THIS TOBACCO PROPOSAL COULD PREVENT UP TO ONE MILLION PREMATURE DEATHS OVER THE NEXT FIVE YEARS.

The recent Treasury Department's study, based on conservative estimates from well-respected analytical models, concluded that the Administration's proposal to increase the price of cigarettes by \$1.50 per pack -- coupled with proposed sales and advertising restrictions -- would:

- Keep up to 1.9 million Americans from smoking in 2003 -- a 39 to 46 percent reduction in youth smoking. Over the next five years, the cumulative number of young people kept from smoking would be up to 2.8 million.
- The direct result of these policies over the next five years is that as many as 1 million of today's young people will be spared from premature deaths resulting from smoking-related diseases.

**PRESIDENT CLINTON:
PROTECTING OUR CHILDREN FROM THE DEADLY THREAT OF TOBACCO**

March 12, 1998

"Because of the work this administration has done... we stand on the verge of one of the greatest public health achievements in history-- an historic triumph in our fight to protect America's children from the deadly threat of tobacco. We've waged a great struggle -- in the courts, in the Congress, and anywhere our nation's children have been targets of tobacco companies' mass-marketing schemes... This is a moment of great opportunity. We must ride this powerful momentum forward into the future."

President Bill Clinton
March 12, 1998

Today, President Clinton addresses the National Association of Attorneys General and discusses America's commitment to protecting children from tobacco use.

A Strategic Plan For Reducing Youth Tobacco Use. President Clinton has proposed a balanced budget plan that includes historic measures to reduce youth tobacco use and to prevent young Americans from ever starting. This plan is expected to keep up to 1.9 million teens from smoking by the year 2003 and will save nearly one million lives. To ensure that these important efforts are successful, President Clinton is calling for tobacco legislation that includes five key principles:

- A comprehensive plan to reduce youth smoking by raising the price of packs of cigarettes by up to \$1.50 over ten years through a combination of annual payments and tough penalties on the tobacco industry;
- Full authority for the Food and Drug Administration to regulate tobacco products;
- Changes in the way the tobacco industry does business, including an end to marketing and promotion to children;
- Progress toward other public health goals, including biomedical and cancer research, a reduction of second hand smoke, promotion of smoking cessation programs, and other urgent priorities; and
- Protection for tobacco farmers and their communities.

A New Campaign To Prevent Youth Smoking. Recently, the FDA launched a new national education campaign using creative point-of-sale, radio, print, and billboard advertisements to make clear to consumers and retailers that tobacco sales to minors are against the law. The FDA plans to run its campaign in all 50 states by the end of 1998.

Building On State Efforts. The Administration's efforts compliment the progress being made at the state level under the Synar Amendment -- a law requiring states to assess retailer compliance with state youth tobacco access laws. Already, four states -- Florida, Maine, New Hampshire and Washington -- have met the retailer compliance requirements set by the law. Three more states -- Delaware, Rhode Island and Vermont -- are scheduled to meet the goal in 1999. The remaining states are expected to achieve these results between 2000 and 2003.

PRESIDENT CLINTON AND VICE PRESIDENT GORE: WORKING TO STOP TOBACCO SALES TO CHILDREN

February 26, 1998

"With this new campaign, and our call for bipartisan, comprehensive anti-tobacco legislation, we can give our young people a healthier, smoke-free tomorrow --and it can't come a day too soon."

Vice President Gore

February 27, 1998

Today, Vice President Gore announces a new national campaign to educate consumers and help retailers prevent illegal sales of tobacco products to children. In launching the new campaign, the Vice President also underscores the need for comprehensive national tobacco legislation to finish the job and dramatically reduce youth tobacco use.

The Vice President's announcement marks the first anniversary of the implementation of the landmark Food and Drug Administration (FDA) tobacco rule designed to reduce the incidence of youth smoking. The FDA rule made it a federal violation to sell cigarettes or spit tobacco to anyone younger than age 18, and required retailers to ask for photo identification from anyone younger than 27 who attempts to purchase these tobacco products.

A New Campaign To Prevent Youth Tobacco Use. The FDA's new national education campaign uses creative point-of-sale, radio, print, and billboard advertisements to make clear to consumers and retailers that tobacco sales to minors are against the law. The FDA plans to run its campaign in all 50 states by the end of 1998.

Building On State Efforts. The FDA's campaign will compliment the progress being made at the state level under the Synar Amendment -- a law requiring states to assess retailer compliance with state youth tobacco access laws. Already, four states -- Florida, Maine, New Hampshire and Washington -- have met the retailer compliance requirements set by the law. Three more states -- Delaware, Rhode Island and Vermont -- are scheduled to meet the goal in 1999. The remaining states are expected to achieve these results between 2000 and 2003.

An Historic Strategy For Reducing Youth Tobacco Use. Earlier this month the President announced a balanced budget plan that includes historic measures to reduce youth tobacco use and to prevent kids from starting use in the first place. This plan is expected to keep 2.8 million teens from smoking by the year 2003 and will save nearly one million lives. To ensure that these important efforts are successful, President Clinton is calling for tobacco legislation that includes:

- A comprehensive plan to reduce youth smoking by raising the price of packs of cigarettes by up to \$1.50 over ten years through a combination of annual payments and tough penalties on the tobacco industry;

- Full authority for the Food and Drug Administration to regulate tobacco products;
- Changes in the way the tobacco industry does business, including an end to marketing and promotion to children;
- Progress toward other public health goals, including biomedical and cancer research, a reduction of second hand smoke, promotion of smoking cessation programs, and other urgent priorities; and
- Protection for tobacco farmers and their communities.

Tobacco Ads' Role In Teen Smoking Meets Criticism

By JEFFREY TAYLOR

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—Public-health authorities released new studies they said show that cigarette companies target young people in advertising, and the ads make teenagers more likely to smoke.

The advocates underscored their opposition to granting the industry protection from civil lawsuits, as contained in the proposed \$368.5 billion tobacco settlement.

Especially vocal were Dr. C. Everett Koop, former surgeon general, and Dr. David Kessler, former Food and Drug Administration commissioner. "Given all the evidence that has come to light recently, it is simply not credible for Congress to grant this industry any limits on immunity," Dr. Kessler said.

Other advocates, including William Novelli and Matthew Myers of the National Center for Tobacco-Free Kids, left open the possibility of supporting strong legislation that has some liability protections. That aligns with the Clinton administration's position.

A tobacco-industry lawyer reiterated the industry's resolve to actively oppose any legislation that doesn't provide legal relief for cigarette makers. Attorney Meyer Koplow also said Congress couldn't unilaterally enact many of the reforms in the proposed settlement with states and public-health advocates without violating the Constitution.

The studies appear this week in the Journal of the American Medical Association. The first, by a doctor at the Massachusetts Department of Public Health and professors at Boston University and Harvard Business School, suggests that the makers of certain brands popular among teens are more likely to advertise in magazines with a high percentage of young readers.

The second study, by professors at the University of California at San Diego, concluded that teenagers with moderate exposure to cigarette ads were about twice as likely to experiment with cigarettes as teens with less exposure.

FCC May Alter Payment Plan For Licenses

By BRYAN GRULEY
And ELIZABETH JENSEN

Staff Reporters of THE WALL STREET JOURNAL

WASHINGTON — Federal regulators are preparing to make small but significant changes that would aid wireless companies that haven't been able to pay billions of dollars for licenses they won in a government auction two years ago.

Bidders in the Federal Communications Commission auction offered \$10.2 billion for licenses to use the airwaves to provide a new generation of wireless phone service. But last year, many said they couldn't pay on the FCC's installment plan, and the commission adopted a plan letting bidders choose among four options to pay or relinquish their licenses.

Now, in response to pleas by several companies, the FCC is considering changes that would give bidders more flexibility in choosing an option and allow them to forfeit less of the money they have paid the government, agency officials said. "We want to make sure that this spectrum is put to work for the American consumer as quickly as possible," FCC Chairman William Kennard said.

Commissioners are almost certain to postpone a Feb. 26 deadline for companies to choose among payment options. "We're not going to make changes and then give companies only a week to digest them," one FCC official said.

That news didn't sit well with one wireless provider, AirGate Wireless LLC of Atlanta, which was outbid for the licenses in question. "We're disappointed the commission seems more concerned about helping individual companies who voluntarily bid for these licenses, rather than promoting competition, which would best be served by a quick reauction," said Shelley Spencer, an AirGate director.

But General Wireless Inc., Dallas, which has sought protection under Chapter 11 of the U.S. Bankruptcy Code for its units holding the wireless licenses in question, praised the potential changes. "Any movement toward a commercially viable solution is positive," said Dennis Spickler, vice president and chief financial officer, although he said the options are unlikely to work for General Wireless because of its bankruptcy status. The company, which bid \$1.1 billion for licenses in markets including Miami and Atlanta, is expected to file a reorganization plan shortly.

NextWave Telecom Inc., the largest holder of the troubled licenses, declined to comment.

After the auction, winners were unable to raise money to pay for the licenses, stalling the construction of several networks intended to compete with established cellular-phone companies. Officials now think the auction is likely to raise no more than \$5 billion for the Treasury.

Last fall, the FCC adopted the four payment options: sticking with the original payment plan; "amnesty," with a return of licenses and forfeiture of all down payments; "disaggregation," with a return of half the licenses in exchange for forgiveness of half the licensee's debt; and a "full-buyout" offer, to let licensees pay for anything they can afford immediately. The returned licenses would be reaucted. The plan was adopted amid acrimony between then-Chairman Reed Hundt, who favored a more flexible plan, and the three other commissioners.

Now, with Mr. Kennard and three new commissioners, the FCC is preparing adjustments. Currently, bidders must choose one payment option for all their licenses nationwide; the FCC is considering letting them choose different payment options for licenses in different metropolitan areas. For example, a licensee could employ the full-buyout option in Los Angeles while walking away from licenses in Atlanta.

Also, the FCC is considering letting bidders use more of their down payments, depending on which option they choose. Currently, bidders that choose "disaggregation" can use just half of their down payment toward buying licenses they keep, forfeiting the rest. The FCC is considering letting them use as much as 70%.

THE WALL STREET JOURNAL
WEDNESDAY, FEBRUARY 18, 1998

FedEx Faults Claims by FAA on Aircraft Safety

By DOUGLAS A. BLACKMON

Staff Reporter of THE WALL STREET JOURNAL

Federal Express Corp., in documents filed with federal regulators, is faulting claims by the Federal Aviation Administration that scores of FedEx aircraft may become structurally unsafe under certain conditions and says the agency has circulated false information about the dispute.

At a public hearing in Seattle today, FedEx is expected to make public its criticism of research conducted by the FAA to support new limits on the use of modified Boeing 727 cargo aircraft.

However, in filings with the agency, FedEx asserts that extensive tests it conducted on the aircraft show that no safety hazard exists. Furthermore, the Memphis, Tenn., unit of FDX Corp. says in the documents that the FAA investigation and testing methods were fundamentally flawed by improper research assumptions and "factual misrepresentations."

FAA officials in Seattle yesterday denied that the agency deliberately disseminated false statements about the investigation and defended its research. But officials also said they are prepared to listen to FedEx's findings.

The agency is holding public hearings on the proposed rule change today and tomorrow. Another round of testimony is scheduled for April, after which the FAA will make a final decision.

FedEx executives acknowledged their criticisms of the investigation and said they plan to discuss them in detail at the hearings.

Cutting Payloads

The moves by FedEx are part of an increasingly hostile counteroffensive by the company against the FAA and the strongest response yet from any air carrier to a proposal by agency officials that the maximum allowed payload of certain 727 freighter aircraft be cut by more than half. Lowering the maximum weight would significantly increase costs for FedEx, which — with 120 of the aircraft — is the company most vulnerable to the proposed rule. FedEx wouldn't say precisely what the impact would be if the rule is imposed.

In all, the new rule would affect about 240 Boeing 727-100s and 727-200s registered to about 30 different U.S. companies. For years, the air-freight industry has relied heavily on the practice of converting passenger planes, after their retirement from carrying people, into cargo freighters. The safety questions raised by the FAA involve the manner in which cargo doors were installed and other structural changes made when the aircraft were modified. Only those planes that were modified by companies other than the original manufacturer, Boeing Co., are under scrutiny.

Safety issues were raised a year ago when the FAA re-examined the strength of previously approved modifications. According to FAA documents and industry executives, the analysis produced a laundry list of concerns, from the stability of cargo doors to the ability of aircraft to survive a strong downward gust. Under combinations of certain extreme conditions, the study also indicated that the floor beams of 727s might fail, causing the aircraft to suddenly break apart in a massive midair convulsion.

Theoretical Arguments

To be sure, the FAA's arguments — as the agency itself acknowledges — are theoretical. No such incident, or anything close, has ever occurred, according to operators of the aircraft. At FedEx alone, the 727s in question have completed 460,000

Please Turn to Page A10, Column 4

Continued From Page A3

flights during the past 13 years without incident, the company says.

Furthermore, in its filings with the FAA, FedEx argues that the conditions that the agency says might cause a 727 to break up have a one-in-five-billion probability of occurring.

In response, FAA officials say they can show that dangerous conditions have a far-higher probability than FedEx maintains. Furthermore, the agency says it doesn't want to wait until after an accident has occurred before raising safety issues about the 727s. "How many airplanes can we afford to lose before we do something about this?" asks Ronald T. Wojnar, manager of the FAA's Seattle office, which is responsible for the investigation. "The FAA's answer is zero."

FedEx also maintains that the FAA has mischaracterized information provided by the company. In one case, FedEx claims that the FAA denied the existence of data that the company says show that the 727 floor beams were structurally sound. In other cases, FedEx says that FAA officials falsely claimed that the company agreed with findings by the agency.

FAA records of the inquiry are "replete

with factual misrepresentations," FedEx said in its filing.

The FAA's Mr. Wojnar said the agency "absolutely did not" intentionally misrepresent information related to the inquiry. He added that the agency was ready to correct any misunderstandings at the hearings this week. "We're still open to any new information," Mr. Wojnar said.

In its filing, FedEx also outlines a series of elaborate tests undertaken last year by the company and laboratories it hired to evaluate the structural strength of 727s. The company says it spent more than \$1 million and in excess of 20,000 hours on the testing. The result was that "B727 freighters are safe at weights well in excess of the limits being proposed by the FAA," the document says.

THE WALL STREET JOURNAL
WEDNESDAY, FEBRUARY 18, 1998

DATA ON TOBACCO SHOW A STRATEGY AIMED AT BLACKS

MARKETING EFFORT CITED

Lawmakers Say Some Proceeds From Tobacco Plan Should Be Spent on Minorities

A

By BARRY MEIER

A steady flow of tobacco-industry documents released in recent days is providing the broadest and most detailed look yet at how the industry lavishly marketed cigarette brands like Kools to some of its heaviest-smoking customers, blacks.

The internal company records from tobacco giants, including the R.J. Reynolds Tobacco Company and the Brown & Williamson Tobacco Corporation, show how the cigarette makers ran advertising campaigns in magazines, on billboards and buses and in other media to attract blacks, especially to mentholated brands like Salem and Kool.

While the marketing of certain cigarette brands to blacks had long been evident, the documents provided new evidence of the importance of black smokers to the companies. They also led to calls from African-American and other minority lawmakers, as well as from Dr. Louis V. Sullivan, the former Secretary of Health and Human Services, that some proceeds from any tobacco legislation enacted by Congress be directed to minority communities.

One 1973 Brown & Williamson document, for example, showed that 17 percent of the company's promotional budget for Kools was spent on marketing to blacks, who made up only 10 percent of the population.

That same document, which looked at smoking trends among people ages 16 to 24, recommended spending more to promote Kools on buses and in subways even though the company was already using "virtually all known vehicles to reach blacks effectively and efficiently."

"With this additional transit effort, Kool will cover the top 25 markets in terms of absolute Negroes," the document said.

Most of the documents at issue were made public at recent Congressional hearings on the proposed \$368.5 billion tobacco settlement, including one held yesterday before the House Judiciary Committee. Only a few weeks ago, the release of other documents provided details on R. J. Reynolds's courting of young smokers, because the company re-

Continued From Page A1

garded them as the future of its business.

Representative Bennie Thompson, a Mississippi Democrat who heads a tobacco task force within the Congressional Black Caucus, said the agreement reached last year between tobacco producers and some 40 state attorneys general does not address the fact that minority groups have been among the most affected over the years by both cigarette marketing and smoking-related diseases.

"It was pretty much a white male group that put the settlement together, and the document reflects that," Mr. Thompson said.

The tobacco industry has long played a dual role in the minority community. Manufacturers like the Phillip Morris Companies, the nation's largest cigarette manufacturer, have long supported minority public affairs events and some politicians, and have poured millions of dollars into advertising in newspapers that serve the communities. But

New evidence of the importance of black smokers.

the rate of smoking among both blacks and American Indians is higher than the national average, Federal statistics show.

Dorothy R. Leavell, president of the National Newspaper Publishers Association, which represents 215 minority-oriented publications, said many small newspapers that serve blacks and other minorities would go out of business if they suddenly lost tobacco advertising.

"The impact would be devastating on our industry," Ms. Leavell said. "The tobacco industry is our largest single advertiser."

As a result, black, Hispanic and other minority lawmakers have begun a push to mark some tobacco legislation revenue for their constituents. They want money for programs specifically designed for minorities, like anti-smoking programs, medical research efforts and financial support for newspaper owners, farmers and other business owners affected by tobacco legislation.

"It is the nation's minority communities that have had a disproportionate portion of illness and death from cigarettes, and any settlement that has to be equitable has to address that," said Dr. Sullivan, who is now president of the Morehouse School of Medicine in Atlanta.

Several lawmakers, including Representative John Conyers Jr., Democrat of Michigan, said that while they had not taken a position on the proposed tobacco settlement, they would oppose it if money was not earmarked for minority concerns.

Tobacco industry executives who

testified two weeks ago before the House Judiciary Committee on the settlement that was proposed last June said it is up to Congress rather than them to determine how any funds should be divided. And cigarette company officials deny that the industry made any extraordinary efforts to attract minority smokers, young or old.

"Most every consumer products company has marketing programs aimed at African-Americans," said Joe Helewicz, a spokesman for Brown & Williamson, whose parent company is B.A.T. Industries P.L.C. in London.

Still, the documents have been embarrassing for cigarette manufacturers. A 1969 R. J. Reynolds marketing memorandum that was made public two weeks ago made suggestions for the best ways to reach members of various ethnic markets, including blacks.

"It generally is not as effective to aim at the Negro consumer, as such, as it is to aim at his decisive motivations," the memorandum said. "Quality rates as a cherished attribute. Negroes buy the best Scotch as long as the money lasts, most marketers agree."

The document also suggests that physical contact between male and female models of different races be avoided in advertisements where possible.

When the document was released, R. J. Reynolds, which is owned by RJR Nabisco Holdings Corporation, issued a statement apologizing for it.

The documents also make it clear that R. J. Reynolds, which makes Salems, and Brown & Williamson, which makes Kools, were in a desperate battle for African-Americans, who smoke a greater percentage of mentholated cigarettes than whites.

A 1977 promotion plan for Kools recommended a number of approaches to attract black smokers, including a promotion titled "Be a Kool Playboy," which would offer clothing and jewelry as prizes.

Other marketing efforts suggested in the document included music-related promotions and the production of an inexpensive basketball that mirrored the Kool brand colors.

"The green and white ball could become an interesting symbol within the inner city and could be very popular," the document said.

Mr. Helewicz, the Brown & Williamson spokesman, said company officials could not find the document yesterday and so he could not comment on it.

Under the June proposal, five major tobacco companies agreed, among other things, to pay \$368.5 billion to settle lawsuits by states and smokers. They also agreed to a variety of advertising and marketing restriction, to some Government regulation of nicotine and to pay fines if smoking among young people fails to drop in the future.

In return, the proposal, which must be adopted by Congress to take effect, would provide the companies with protection against many types of tobacco-related lawsuits and would bar the awarding of punitive damages in such cases.



Stephen Crowley/The New York Times, 1995

As personal secretary to the President, Betty Currie has a desk right outside the Oval Office. She has reportedly told Federal investigators that Mr. Clinton met alone at times with Monica S. Lewinsky.

sky's mother lives, said an associate of Mrs. Currie's.

On an official trip to South America, Mr. Podesta asked the chief United States delegate to the United Nations, Bill Richardson, whether he could find work for "a friend" of Mrs. Currie. By the end of October, Mr. Richardson and two aides met with Ms. Lewinsky at the Watergate apartment complex, where they offered her a job. She turned it down.

DEC. 5. Lawyers for Ms. Jones notified Mr. Clinton's lawyer that Ms. Lewinsky was a possible witness in the case. A few days later, Mr. Jordan, a Washington insider who serves on the corporate boards of Revlon and American Express, began looking for a job for Ms. Lewinsky. In his only statement on the matter, Mr. Jordan has said the former intern was "referred" to him by Mrs. Currie. He did not elaborate and declined to answer any questions.

DEC. 17. Lawyers for Ms. Jones issued a subpoena to Ms. Lewinsky that demanded her testimony and any gifts she might have received from Mr. Clinton. It is not clear what the lawyers for Ms. Jones knew about the relationship.

After the subpoena was issued, Ms. Lewinsky and Mr. Clinton had several conversations and at least one private meeting in the White House, said an associate of Ms. Lewinsky.

At that session, according to Ms. Lewinsky's version of events, Mr. Clinton told her that if she were in New York, she might be able to avoid testifying in the Jones lawsuit. Mr. Clinton also reportedly told her she could explain her visits to the White House as trips to see Mrs. Currie.

In a conversation with Mr. Clinton in December, Ms. Lewinsky warned the President that the lawyers for Ms. Jones were aggressively pursuing details of their relationship, including any gifts that they had ex-

changed. It was at this time, according to Ms. Lewinsky's account, that Mr. Clinton noted that she could avoid turning over the gifts if she no longer had them.

There have been numerous reports about Mr. Clinton's gifts to Ms. Lewinsky.

After the story erupted three weeks ago, Ms. Lewinsky was quoted as having told Ms. Tripp on tape that Mr. Clinton gave her a dress.

When Federal agents searched Ms. Lewinsky's Watergate apartment for any gifts or other evidence, her lawyer, William H. Ginsburg, said that no such dress had been found. Mr. Ginsburg said other inconsequential items, like a book of poetry signed by the President, had been seized by the agents.

JAN. 7. Ms. Lewinsky signs an affidavit denying that she had a sexual relationship with Mr. Clinton. Efforts to land her a job by Mr. Jordan reach fruition over the next several days with employment offered to her by Revlon in New York.

JAN. 17. After years of legal skirmishing, the lawyers for Ms. Jones finally had their chance to question Mr. Clinton. In a six-hour, secret session, Mr. Clinton's lawyers tried to block questioning about Ms. Lewinsky, citing her affidavit, according to people involved in the deposition.

The effort failed. A Federal judge allowed some questions to be asked about Ms. Lewinsky. He denied that he had had sex with her. Asked if he had given her gifts, he replied that perhaps he had done so, but only ordinary White House souvenirs, said a lawyer who has read the President's deposition. Mr. Clinton also said he could not recall being alone with Ms. Lewinsky, though he might have done so in conducting official business.

That evening, a report on the internet said Newsweek had declined to

publish a story it was preparing on an affair between the President and a former White House intern.

It is not known whether Mr. Clinton was aware of the report. That evening, he canceled a dinner outside the White House with the First Lady. Mrs. Currie has told investigators, lawyers said, that the President called her and asked her to meet him at the office the following day.

JAN. 18. Mrs. Currie met Mr. Clinton at the White House, according to lawyers familiar with her account. They said Mrs. Currie recalled that President had asked a series of questions to which he supplied the answers.

The lawyers paraphrased the President's remarks about Ms. Lewinsky as being along these lines: We were never alone together, right? Mr. Clinton also asserted to Mrs. Currie that he resisted the former intern's advances, Mrs. Currie has told investigators.

JAN. 21. News organizations report that Mr. Starr is investigating whether Mr. Jordan and the President took improper steps to hinder the lawsuit brought by Ms. Jones. The focus is on Ms. Lewinsky's affidavit denying the sexual relationship and her job offer from Revlon, which is retracted shortly after the story breaks.

For the next several days, Mrs. Currie was not at her desk in the White House, prompting concerns about whether she had been contacted by Mr. Starr's investigators, an Administration official said.

In fact, Mrs. Currie was talking.

She provided investigators with the box of gifts and recounted some of Mr. Clinton's remarks about Ms. Lewinsky.

After missing several days of work, she returned to her desk at the White House, where she was warmly embraced by colleagues.

Treasury Department Official to Become Head of U.S. Customs (Washn) By Jack Nelson (c) 1998, Los Angeles Times

WASHINGTON Raymond W. Kelly, a straight-talking ex-Marine and former New York Police Commissioner, is stepping down as the Treasury Department's undersecretary for enforcement to assume direct control of one of six agencies under his command: the troubled U.S. Customs Service.

Explaining why he accepted the lower ranking post, Kelly said, "I just wanted to get back into an operational mode and Customs is a great agency with an important mission."

He acknowledged that Customs has experienced some serious problems, some of which Sen. Dianne Feinstein, D-Calif., outlined in a speech on the Senate floor Thursday.

Feinstein she was surprised by an article in the Los Angeles Times earlier this week reporting that the amount of cocaine seized at commercial ports of entry along the U.S./Mexico border plummeted 84 percent in 1997 compared to the year before. This has forced Customs officials, who oversee the ports, to develop a new drug-fighting strategy and left them concerned about a backlash in Congress.

And last fall, Customs officials acknowledged in testimony to a congressional committee that a wide disparity existed between resources devoted between the East and West coasts, leaving the Los Angeles area vulnerable to international crime.

Data provided the committee by Customs showed the agency has placed about twice as many special agents in its New York and Miami offices as it has in Los Angeles, where 167 people are assigned to the investigative unit. Even though it covers the largest metropolitan area of the agency's field offices, the Los Angeles unit ranks seventh in size.

Kelly said Thursday: "We're on the way to addressing some of them and I'm excited about joining the agency."

And Kelly's appointment was widely seen as a clear signal that the administration aims to toughen Customs' drug enforcement efforts.

Although the White House has not officially announced Kelly's appointment, other sources confirmed it after Feinstein, in her Senate speech, mentioned that she had urged the appointment of a law enforcement veteran as the new Customs commissioner and that President Clinton planned to name Kelly.

Kelly will replace Samuel H. Banks, who has been acting commissioner since last October when George Weise resigned.

Kelly's new boss as undersecretary will be James E. Johnson, who has been serving under him as assistant secretary for enforcement.

A combat veteran of the Vietnam War, Kelly rose through the ranks of the New York City Police Department, serving in every rank and 25 commands before becoming commissioner in October 1992. Recognized as New York state's law enforcement official of the year in 1993, he helped lead the successful investigation of that year's bombing at the World Trade Center. He retired as commissioner in January 1994.

Documents Show Tobacco Industry Efforts to Target Blacks (Washn) By Henry Weinstein and Alissa J. Rubin (c) 1998, Los Angeles Times

WASHINGTON Damaging new information about the besieged tobacco industry was revealed here Thursday as a congressman released documents detailing the industry's attempts to specifically target blacks and in particular black youths.

For example, a 1973 R.J. Reynolds Tobacco Co. marketing profile included a study of black smokers aged 14-20.

A 1973 Brown & Williamson Tobacco Corp. document on blacks said that the bulk of sales increases in the company's KOOL brand was among 16- to 25-year-olds. "At the present rate, smokers in the 16-25 year age group will soon be three times as important to KOOL as a prospect in any other broad age category."

A 1978 Lorillard Tobacco Co. research study noted that the success of its Newport brand had been "fantastic during the past few years." While the study said the brand was being purchased by black people of all ages, it emphasized that "the base of our business is the high school student."

Rep. John Conyers, D-Mich., who released the material, said "these documents make clear that the tobacco industry was targeting blacks, including black teen-agers, at the same time the industry knew that tobacco was addictive and caused lung cancer and other smoking related disease."

Thursday's revelations come on the heels of the release of a cache of R.J.R. marketing documents in mid-January that provided the broadest picture to date of industry targeting of teen-agers. And in the past two weeks, attorneys representing the state of Minnesota in its massive case against the industry have introduced in court several dozen internal industry documents providing new details about how the industry knew years ago about both the health hazards and addictiveness of its products.

Conyers stressed that lung cancer accounts for 25 percent of all cancer cases in black males, compared to 14 percent of all cancer cases in the general population. Moreover, he said that between 1950 and 1985 the occurrence of lung cancer increased 220 percent among black men, compared to 86 percent among white men. "Now, we know that part of the blame lays squarely at the feet of the tobacco industry," he said.

The veteran congressman released the documents as the House Judiciary Committee held a hearing on the proposed \$368.5 billion national tobacco settlement.

"Unfortunately, eight months after the settlement was announced, we still don't have a complete picture of the extent to which these marketing tactics were executed and the degree they were utilized by other members of the tobacco industry," Conyers said. "That is why I am today calling for the complete release of all incriminating industry documents."

At the hearing, the Clinton administration, tipping its hand for the first time on a key aspect of the mammoth settlement now under consideration in Congress, said it could accept special legal protections for tobacco companies.

David Ogden, a counselor to Attorney General Janet Reno, told the committee that limits on liability for the companies may be the price of securing the tobacco industry's agreement to scale back its marketing and advertising and to finance anti-smoking programs.

"If there is agreement on a comprehensive bill ... then reasonable provisions modifying the civil liability of the tobacco industry would not be a deal-breaker," Ogden said.

Ogden made clear, however, that the legal protections for the industry must be narrowed considerably from those that were part of the settlement reached last year between the tobacco companies and the 40 states that had sued them. He repeatedly emphasized that restricting liability is not the administration's preference, and at the end of the day, many lawmakers and experts were still confused about exactly what the administration will accept.

Special legal protections for the tobacco industry is the linchpin of the proposed settlement. The industry agreed to drastically limit marketing and advertising aimed at children, accept regulation by the Food and Drug Administration, finance programs aimed at deterring young people from smoking and partially reimburse the states for their tobacco-related health costs in exchange for limits on their liability in damage suits.

The settlement depends on Congress to give the companies their legal protections and limited immunity from antitrust laws so that they can agree on prices for their products. But many lawmakers are reluctant to grant such preferences to an industry that is under criminal investigation by the Justice Department.

The legal protections sought by the tobacco companies and included in the settlement are:

No future class-action or multi-case lawsuits against the companies.

A cap starting at \$2 billion and rising to \$5 billion on the annual payments by the industry in judgments and settlements of lawsuits brought by individuals.

No more lawsuits by states against the companies.

No punitive damage awards against the companies for past conduct.

The documents Conyers released were obtained during recent litigation, including a San Francisco case where attorneys had sued R.J.R. over its controversial Joe Camel campaign.

In addition to the ones involving black smokers, there were several dealing with general teen marketing. These included a 1972 Brown & Williamson memo about an attempt to lure young smokers with sweet-flavored cigarettes, including the use of artificial ingredients to generate a colalike taste. "It's a well-known fact that teen-agers like sweet products. Honey might be considered," noted the memo, which was marked "confidential."

Clinton Orders 2,000 Marines to the Gulf (Washn) By Elizabeth Shogren (c) 1998, Los Angeles Times

WASHINGTON President Clinton ordered 2,000 Marines to the Persian Gulf Thursday and flatly rejected the notion that U.S. military strikes against Iraq would be aimed at killing Iraqi President Saddam Hussein.

"Would the Iraqi people be better off if there were a change in leadership? I certainly think they would be," Clinton said at an appearance with visiting British Prime Minister Tony Blair.

But Clinton, responding to calls from Capitol Hill and elsewhere for efforts to topple Hussein with targeting him for death one alternative stressed that U.S. law forbids political killings.

The dispatch of the Marines, who will arrive in the gulf region in about a week, has several purposes, including deterring an Iraqi ground assault on neighboring countries during any conflict and providing search and rescue operations for any downed allied pilots.

On Capitol Hill, the Senate postponed action on a resolution of support for U.S. military action as Secretary of State Madeleine Albright met behind closed doors to brief lawmakers who say they need more information about the growing crisis.

The flurry of rhetoric and diplomacy came as U.S. officials were increasingly pessimistic about the possibility of a peaceful solution to the standoff over Iraq's refusal to allow unconditional U.N. weapons inspections.

On the first full day of his official visit, Blair emphasized that his government staunchly agrees with Clinton that a diplomatic solution to the showdown is preferable, but that "the threat of force is there and it is real." Later, Blair's official spokesman said that if diplomacy fails, there would not be "much doubt" that British forces would participate in an attack on Iraq.

Although it was obvious before their talks that the U.S. and British positions toward Iraq were similar, senior White House officials said the meeting made it clear that the leaders' see eye-to-eye on the problem, the need for forceful action and the objectives of the strategy.

This is important for Clinton because if he makes what he called the "difficult decision" to use force in Iraq, he does not want to be seen as doing so on his own. Britain is an important ally in this effort because of its long Mideast ties and because its forces are based in the Persian Gulf and can collaborate in any military mission.

But other world leaders continued to oppose military action against Iraq.

France, which contributed troops for the 1991 Persian Gulf War, seemed to rule out playing any part in military hostilities against Hussein. Asked Thursday in a radio interview whether his country would assist U.S. military operations, Foreign Minister Hubert Vedrine said: "France does not have the intention of associating itself with that. And, for the moment, what France is doing is obtaining a solution through diplomatic means and by political persuasion. And I do not despair that we will succeed."

French officials have expressed skepticism that military strikes could wipe out suspected Iraqi biological or chemical weapons stocks.

In a stronger expression of disapproval, Russian President Boris N. Yeltsin warned for the second day that military action by the United States in Iraq could trigger global warfare. "We have taken a firm stand: 'No' to settlement through the use of force. It is impossible. It would mean a world war," Yeltsin insisted.

U.S. and British officials tried to downplay Yeltsin's comments, underscoring instead that Clinton and Blair spoke with the Russian leader earlier this week and he is united with them in the view that Hussein's intransigence cannot be tolerated even if Moscow disagrees about the use of force.

As for Yeltsin's warnings of global warfare, Clinton's spokesman said the administration has studied the goals and possible consequences of military action against Iraq and "a world war is not among those objectives or outcomes foreseen." A senior White House official also said that leaders do not take the Russian president's words literally.

As Clinton and Blair discussed possible use of force in Iraq, the aircraft carrier USS Independence sailed into the Persian Gulf with 75 aircraft aboard and a battle group, which included a cruiser, a destroyer and a submarine. That carrier will replace the USS George Washington, expected to leave the region after about a week of overlap with the Independence.

With the Independence's arrival, the U.S. military presence in the gulf grew to about 30,000 service personnel, most of whom are based on carriers.

The 24th Marine Expeditionary Unit, an amphibious group, began heading for the gulf from its station in the Mediterranean Sea. The Marine group, based in Camp Lejeune, N.C., includes an infantry

battalion and six Cobra attack helicopters and is capable of conducting amphibious landings on short notice.

Analysts said the addition of the Marine unit makes sense. U.S. forces in the gulf had been heavy on naval forces and aircraft and light on ground troops: the ground contingent consists of only 1,800 Army troops now. Adding the Marines will "help dispel any idea on Saddam's part that he might be able to make a move on the ground" toward Kuwait, said Richard N. Haass, who was President Bush's top Middle East specialist during the Gulf War.

Meanwhile, Albright's classified briefing was provided to senators eager to have more information about administration preparations for possible military strike in the gulf and an assessment of the risk and benefits of such action. The Senate put off consideration of a nonbinding resolution backing airstrikes against Iraq until next week.

Sen. Paul Coverdell, R-Ga., said the administration's consultation with Congress was just one step in an education process that will be needed to win public support for any military action. "Everyone in Washington is aware this is a very grave situation," he said after the Albright briefing. "But I don't think the country has been able to absorb this. Its important for the country to understand the gravity of the situation."

Coverdell said he didn't think Congress was ready to support military action when the week began but "by the end of the week, they will be."

Hussein's Latest Offer Falls Short, Officials Say (United Nations) By Craig Turner (c) 1998, Los Angeles Times

UNITED NATIONS Iraqi President Saddam Hussein's offers to permit U.N. arms inspectors limited access to his "presidential compounds" led some diplomats Thursday to suggest he may be backing down from his defiant stand. But officials here said the proposals appear to fall short of what is required to determine whether the sites hide illegal weapons.

A procession of Russian, French, Turkish and Arab diplomats have been visiting Baghdad this week to find a resolution to the Iraqi impasse. That has generated reports that Iraq may permit inspectors into "presidential palaces" and other sites for a limited period, if accompanied by diplomats from the 15 nations represented on the U.N. Security Council. The council oversees the disarmament commission.

Delegates here stressed that nothing official had been conveyed to the council and that talks in Baghdad are continuing.

But, for example, British Foreign Secretary Robin Cook, who is visiting Saudi Arabia and Kuwait, said Thursday, "There are some interesting proposals there, although they do not match up to our requirement of full compliance ... If the U.N. inspection regime is going to work, it must be unconditional."

At the United Nations, the Security Council met behind closed doors with Richard Butler, who heads the disarmament commission. The council has demanded that Iraq provide full, unconditional access to whatever sites the inspectors need to investigate to complete their work. Iraq never has fully cooperated with the inspectors, but in recent months has stepped up its resistance by flatly placing presidential sites off-limits.

The inspection program was set up after Iraq's defeat by a U.S.-led alliance in the 1991 Persian Gulf War. Butler's team must certify that Iraq no longer has the capacity to wage nuclear, biological or chemical warfare and has rid itself of long-range missiles before the Security Council can lift the economic sanctions imposed on the country. Iraq says it is in compliance, but the inspectors refuse to agree until they have full access to all sites they believe may shelter illegal weapons or records of Iraq's arms programs.

Officials with the inspection program are decidedly wary of Iraqi offers to provide restricted access to the presidential compounds.

Although Iraq has focused attention on Hussein's "presidential palaces" at eight locations, the U.N. inspectors are less interested in the residences than in the buildings and territories surrounding them. One presidential compound in Baghdad includes more than 500 structures, including garages, warehouses and "all kinds of buildings that are not presidential bedrooms," one disarmament official said. Another presidential site sprawls across a mountainous area that inspectors believe may camouflage underground bunkers.

But at Thursday's Security Council meeting, Russian Ambassador Sergei V. Lavrov and Chinese delegate Qin Huasun argued for what would be a significant shift in the inspection program, according to sources inside the council chamber. They contended that Iraq should

Files of Reynolds Tobacco Show Effort on the Young

14-to-24 Age Group Was Seen as Crucial

By BARRY MEIER

Internal records from one of the nation's largest cigarette makers, the R. J. Reynolds Tobacco Company, provide new evidence of the extent to which the company for decades courted young smokers, including some as young as 14, regarding them as the future of its business.

As recently as 1988, for example, R. J. Reynolds planned to saturate areas where young people gathered, like fast-food restaurants, video game arcades and outdoor basketball courts, with billboards and posters promoting its products, one memorandum shows. Other documents among the papers released to the public yesterday emphasized that the company sought to expand sales of its products among underage smokers, including those age 14, in order to sustain brand popularity and corporate earnings.

"To ensure increased and longer-term growth for Camel filter," one internal 1975 company memorandum stated, "the brand must increase its share penetration among the 14-24 age group, which have a new set of more liberal values and which represent tomorrow's cigarette business."

These are not the first documents to suggest that Reynolds and other tobacco companies sought to court youthful smokers. But the documents made public yesterday are among the most explicit to have been released. And, while company officials have attributed previous documents on youth marketing to low-level or renegade employees, some of these documents show the involvement of top company officials, including directors, in the 1970's.

Officials of R. J. Reynolds, a unit of the R.J.R. Nabisco Holdings Corporation, have repeatedly denied in public statements and sworn testimony that they sought to sell cigarettes to those under 18. And yesterday, Peggy Carter, a company spokeswoman, restated that position, saying that the documents at issue had been selectively released by plaintiffs' lawyers to appear out of context.

Ms. Carter said R. J. Reynolds officials did not have time to fully address specific documents. But the company said in a statement: "Our documents reflect the social attitudes of the times in which they were created. And while attitudes toward smoking have changed over the past several decades, the Reynolds Tobacco Company's position and policy has remained constant: that smoking is a choice for adults and that marketing programs are directed at those above the age to smoke."

Dr. David A. Kessler, the former Commissioner of Food and Drugs who began that agency's inquiry into the tobacco advertising practices, said the newly released documents were the strongest evidence yet of a major company's effort to focus on youth.

"These are as close to smoking guns when it comes to targeting kids" as have ever appeared, said Dr. Kessler, who is dean of Yale University Medical School.

Viewed together, the R. J. Reynolds documents indicate that top tobacco industry executives long believed that people under 18 were its most crucial customers because by that age, minors who smoked had chosen the brand that they would stick with and smoke even more as adults. While the documents do not show that the company directly ad-

vocated persuading children to start smoking, they do strongly suggest that R. J. Reynolds wanted its share of those children who did smoke.

For example, a marketing plan prepared in late 1974 for the board of directors of R. J. Reynolds noted that company brands like Winston, Salem, and Camel were increasingly losing ground among 14- to 24-year-old smokers to Marlboro brand cigarettes made by the Philip Morris Companies.

"This suggests slow market share erosion for us in years to come unless the situation is corrected," the document stated. One company strategy to combat that trend would be to "direct advertising appeal" to those younger smokers, the plan said.

Among the techniques suggested in the plan were advertisements in magazines read by young people, like Sports Illustrated, Playboy and Ms., and the sponsorship of sports events like auto racing.

At the time the marketing plan was presented to the company's top executives, it was illegal in most states to sell cigarettes to those under 18.

Representative Henry Waxman, Democrat of California and a longtime tobacco industry opponent, said yesterday that he believed that the company documents clashed with Congressional testimony by R. J. Reynolds executives. For example, he pointed to a 1994 statement by James W. Johnston, then the company's chief executive, that R. J. Reynolds did "not market to children and will not."

"I think these documents show that our worst fears about the tobacco companies going after our kids were justified," said Mr. Waxman, who said he planned to refer the R. J. Reynolds documents to the Justice Department which is investigating possible fraud by tobacco producers.

Ms. Carter, the R. J. Reynolds spokeswoman, disputed any contentions that Mr. Johnson or any other company official had not been forthcoming in their testimony or public statements.

The release of the documents came as Congress is set to consider a \$368.5 billion settlement proposal reached in June between tobacco producers, including R. J. Reynolds, and state attorneys general. Under one portion of that plan, cigarette producers would pay fines if youth smoking failed to fall in the future, but Mr. Waxman and other critics of the proposal have said the fines in it should be strengthened and meted out company by company, rather than industrywide.

R. J. Reynolds first handed over the documents during a lawsuit filed in 1991 against the company's "Joe Camel" advertising campaign by Janet Mangini, a lawyer in San Francisco, and several California cities and counties. The lawsuit was settled in September and R. J. Reynolds agreed to the public release of the documents as part of the settlement. Last year, R. J. Reynolds dropped its Joe Camel campaign after criticism by antismoking advocates and government regulators that the cartoon-like figure was attracting underage smokers to the brand.

The documents made available yesterday show that for decades, the company commissioned or subscribed to surveys that tracked the

smoking habits of teen-agers, including those as young as 14. While some R. J. Reynolds memorandums stated that the surveys were not to be used for marketing, the data produced in the studies were reviewed by the company's highest officers, a company memorandum indicates.

In 1980, for example, Gerald H. Long, the company's top marketing executive at the time, wrote to Edward A. Horrigan, then chief executive of R. J. Reynolds, to warn him that the company's flagship Winston brand was increasingly losing sales among "14-17 year old smokers" to Marlboro cigarettes.

"Hopefully, our various planned activities that will be implemented this fall will aid in some way in reducing and correcting these trends," wrote Mr. Long, who subsequently became chief executive of R. J. Reynolds.

In responding to the document released last year, David W. Donahue, R. J. Reynolds's deputy counsel, had said in a statement that Mr. Long had subsequently expressed concern that someone would surmise from the memorandum that the company planned to market cigarettes to children.

"He was adamant that the company firmly adhered to its position that youth should not smoke and that it would direct its marketing efforts only at adult smokers," Mr. Donahue said last year. "The record across the board supports that."

Two years after Mr. Long's memorandum was written, Mr. Horrigan testified before Congress that charges that industry advertising and promotional practices were intended to promote youth smoking were "without foundation."

After 1980, the R. J. Reynolds documents do not discuss children, referring instead to those ages 18 to 24 as "younger adult smokers." But company studies and documents emphasized the critical importance of underage smokers to the future of cigarette makers like R. J. Reynolds.

In a 1984 internal R. J. Reynolds report "Younger Adult Smokers: Strategies and Opportunities," a top company researcher, Diane S. Burrows, wrote that the "renewal of the market stems almost entirely from 18-year-old smokers" because fewer than 5 percent of smokers started after age 24 and the company's ability to get them to switch brands far outweighed their brand loyalty.

A few years later, R. J. Reynolds started its controversial advertising campaign using Joe Camel. Tobacco industry officials have consistently asserted that peer pressure, rather than advertising, leads young people to start smoking. But a 1986 company memorandum that discussed ways to attract 18 to 24 year olds recommended that a new Camel advertising campaign be directed toward "using peer acceptance/influence to provide the motivation for target smokers to select Camel."

Marketing plans for the Joe Camel campaign called for saturating outdoor areas with billboards and posters, a company memorandum shows. While some advertisements in some selected areas, like college campuses, would reach those over 18, other locations, like fast-food restaurants and video game arcades, are frequented by minors.

U.S. Astronaut Ventures Out On Space Walk

MOSCOW, Thursday, Jan. 15 (AP) — After more than three months on Mir, the American astronaut David Wolf headed into open space for the first time today to examine the Russian space station's outer hull for possible leaks.

He was accompanied on his space walk by the Russian flight commander, Anatoly Solovyov. After a relatively uneventful three hours and 52 minutes, they sealed the hatch back up.

Mr. Solovyov is the most experienced space-walker in history, having logged more than 76 hours in 15 previous space walks, including 6 space walks since he arrived on the Mir in August.

When Mr. Wolf was told that the mission was almost over and it was time to head inside, he said he did not want to go back. Mr. Wolf asked Mr. Solovyov, who was filming the walk, to make sure he was photographed.

"Take a picture of me," Mr. Wolf said. "This is a big moment in life." Ground controllers gave Mr. Wolf more detailed instructions than usual at the start of today's mission.

Mr. Wolf, who arrived in September, has remained inside the station during the space walks by his Russian colleagues, Mr. Solovyov and Pavel Vinogradov. In most instances, he was in Mir's escape capsule to assist in case of an evacuation, and he filmed his fellow cosmonauts through a window.

This time, Mr. Wolf and Mr. Solovyov used an American-made monitoring device to examine Mir's outer hull in at least two separate places. Signs of a leaky hatch appeared in footage filmed by Mr. Solovyov and beamed back live.

Observers at Mission Control saw the Russian's smiling face with the brilliant blue of the Atlantic Ocean in the background.

Told a few minutes later that Mir was above Africa, Mr. Solovyov joked, "Yeah, I saw zebras running around."

The 12-year-old Mir, which was expected to last only five years, suffered a series of accidents last year. The current crew has brought Mir back to nearly full power and there have been no serious breakdowns recently.

However, members of a new crew that will be in place by the end of this month will still face a number of repair jobs.

They will try to find and seal the holes in the station's Spektr module, which was punctured last June 25 during a collision with a cargo ship. The new team will also attempt to fix an air leak from Mir's exit hatch.

Neither problem is considered serious, but the leak from the hatch on the Kvant-2 module creates some inconvenience for the crew during space walks. During a space walk last Friday, Mr. Solovyov and Mr. Vinogradov found that one of the hatch locks was broken. Because of more pressing tasks, the repairs have been left for the next crew.

Georgia's Governor Seeks Musical Start for Babies

By KEVIN SACK

ATLANTA, Jan. 14 — As it is, newborn children in Georgia often come home from the hospital with a bag of free goodies: baby wipes, diapers, instructions about breast feeding and immunizations. Now Gov. Zell Miller wants to throw in a little something extra: a cassette tape or compact disc of classical music.

The music would not be intended to soothe the frayed nerves of parents getting their first doses of sleep-deprivation from their colicky babies. Rather, Mr. Miller, a devoted fan of country and bluegrass music, is convinced that Bach and Mozart can stimulate brain development at very early ages.

That is why Mr. Miller, a Democrat, proposed as part of his \$12.5 billion state budget on Tuesday to spend \$105,000 to make music available to each of the approximately 100,000 children born in Georgia each year.

"No one questions that listening to music at a very early age affects the spatial, temporal reasoning that underlies math and engineering and even chess," the Governor said today. "Having that infant listen to soothing music helps those trillions of brain connections to develop."

Actually, some experts do question Mr. Miller's premise, or at least argue that it has yet to be scientifically established.

"I'm familiar with those findings and, at the moment," said Sandra Trehaub, a professor of psychology at the University of Toronto who studies infants' perception of music, "I don't think we have the evidence to make that statement unambiguously. If we really think you can swallow a pill, buy a record or a particular book or have any one experience and that that's going to be the thing that gets you into Harvard or Princeton, then that's an illusion."

Mr. Miller said he became intrigued by the connection between music and child development at a series of recent seminars sponsored by the Education Commission of the States. As a great-grandfather and the author of "They Hear Georgia Singing" (Mercer University Press, 1983), an encyclopedia of the state's musical history, Mr. Miller said his

fascination came naturally.

He said that he had a stack of research on the subject, but also that his experiences growing up in the mountains of north Georgia had proved convincing.

"Musicians were folks that not only could play a fiddle but they also were good mechanics," he said. "They could fix your car."

During his budget address on Tuesday, Mr. Miller played a bit of Beethoven's "Ode to Joy" on a tape recorder and then asked the lawmakers, "Now don't you feel smarter already? Smart enough to vote for this budget item, I hope."

Spending state money on CD's for newborn children.

If the General Assembly goes along, Mr. Miller has enlisted Yoel Levi, the music director of the Atlanta Symphony Orchestra, to compile a sampler of pieces that the symphony has recorded in the past. Mr. Levi said today that he had selected offerings like Rossini's "Barber of Seville," Holst's "The Planets," and Saint-Saëns' "Carnival of the Animals."

Why not distribute music by Georgians like Hoagy Carmichael, Otis Redding or Johnny Mercer?

"Well, 'Moon River' is pretty soothing," Mr. Miller said of the Mercer song, "but with my likes and dislikes I don't want to be the one that picks these numbers."

Legislators, as is their wont, have ideas of their own.

"I asked about the possibility of some Charlie Daniels or something like that," said Representative Homer M. (Buddy) DeLoach, a Republican from Hinesville, "but they said they thought the classical music has a greater positive impact."

"Having never studied those impacts too much," Mr. DeLoach added, "I guess I'll just have to take their word for that at the moment."

Galileo Spacecraft Has Data Problems

LOS ANGELES, Jan. 14 (AP) — The system that keeps the Galileo spacecraft properly oriented has been having problems for nearly a month, limiting the data about Jupiter's frozen moon Europa being sent home, scientists say.

But officials said on Tuesday that they were confident that they can make adjustments and once again retrieve the information.

Europa is where some scientists suspect a frozen, cracked surface may hide an ocean that could harbor life. It is the primary target of a two-year, \$30 million extension of Galileo's \$1.5 billion mission to Jupiter and its four major moons.

On Dec. 16 electronic equipment unexpectedly switched to backups, said Bob Mitchell of NASA's Jet Propulsion Laboratory. Four days later, another problem was detected. Apparently, the spacecraft's equipment indicated that it was pointing in the wrong direction when it was not.

The New York Times
THURSDAY, JANUARY 15, 1998

Secret R.J. Reynolds Documents Appear to Show Cigarette Maker's Marketing Targeted Children

By John Mintz and Sandra Torrey
Washington Post Staff Writers

R.J. Reynolds Tobacco, the nation's second-largest cigarette company, sought for decades to reverse the declining sales of its brands by developing aggressive marketing proposals to reach adolescents as young as 14 years old, according to a trove of potentially explosive internal company documents released yesterday.

The papers, which span 1973 to 1990, include confidential marketing surveys, communications to the RJR board of directors, reports by outside advertising firms, long-term planning documents and other internal papers dealing with youth smoking.

The 81 documents contrast starkly with the company's repeated public declarations that it does not target young people, collectively sketching a picture of a company that decades ago determined that its financial future depended on an all-out effort to recruit a new generation of smokers.

Many of the documents outline RJR's thinking in the 1988 launch of its controversial Joe Camel cartoon advertising campaign. The ad campaign, reviled by federal officials and public-health activists who said it appealed to children, was ended earlier this year.

The issue of tobacco companies' marketing to youth has become the major focus of the national debate about smoking. The Food and Drug Administration asserted authority over tobacco products to reduce youth smoking, and it is also a primary goal of the proposed national tobacco settlement that Congress will consider when it returns.

Yesterday, the company repeated its denial that it had targeted young people and said it stands by its commitment to reduce youth smoking. The documents were taken out of context, the company said.

"Our documents reflect the social attitudes of the times in which they were created. And while attitudes toward smoking have changed over the past several decades, [Reynolds's] position and policy have remained constant: that smoking is a choice for adults and marketing programs are directed at those above the legal age to smoke," the company said.

The documents, most of which have never before been made public, were released by Rep. Henry A. Waxman (D-Calif.) and law firms representing a California lawyer, Janet Mangini. Mangini sued RJR to stop the Joe Camel campaign in 1991. Last September, the company and Mangini settled the case, and

RJR agreed to release internal files on sales to young people.

One of the more incendiary documents quotes from a Sept. 30, 1974, presentation to the RJR board of directors in Hilton Head, S.C., in which the company's marketing vice president, C.A. Tucker, addressed the looming decline in RJR's business, and the need to reorient the company's entire marketing focus on kids.

"They represent tomorrow's cigarette business," Tucker said. "As this 14-24 age group matures, they will account for a key share of the total cigarette volume for at least the next 25 years." Noting a surge in youth sales by competitor Philip Morris's Marlboro brand, Tucker added, "this suggests slow market share erosion

See TOBACCO, A19, Col. 1

TOBACCO, From A1

for us in the years to come unless the situation is corrected. . . . Our strategy becomes clear for our established brands: 1. Direct advertising appeal to the younger smokers."

Some members of Congress and public health activists said the documents could damage prospects for congressional passage of a national tobacco settlement, in which the industry would pay billions of dollars in exchange for some protection against lawsuits.

Former FDA commissioner David A. Kessler said the documents will have profound effects in Congress and the courts because now "there's no question" that tobacco companies have targeted children. "If you are looking for a smoking gun regarding youth smoking, you need to look no further," he said.

The Justice Department also is investigating whether RJR and other tobacco firms committed perjury or hampered federal investigations by telling Congress, FBI agents and FDA investigators that they never deliberately marketed to children.

The documents outline RJR executives' concern about the company's future because of two facts about cigarette smoking known to RJR researchers: First, cigarette brand loyalty is so strong that it is extremely tough to get smokers to shift from the brand to which they first became addicted. Second, the great majority of smokers started smoking by age 18, even though it is illegal to buy cigarettes that young.

RJR's brands, including Winston and Camel, had been in trouble since the mid-1960s, when Philip Morris introduced its highly successful Marlboro Man ad campaign.

In a Feb. 2, 1973, memo, RJR senior researcher Claude Teague wrote, "if our company is to survive and prosper, over the long term we must get our share of the youth market."

There are numerous other references in the internal documents from the mid-1970s in which RJR officials discuss the company's need to appeal to 14- to 24-year-olds. In a Jan. 23, 1975, memo, RJR official J.W. Hind wrote "to ensure increased and longer-term growth for Camel Filter, the brand must increase its share penetration among the 14-24 age group, which . . . represent tomorrow's cigarette business."

In a July 1980 memo to then-RJR Chairman E. A. Horrigan, then-Executive Marketing Vice President Gerald Long (later RJR's chief executive officer) noted that Marlboro's share of the 14- to 17-year-old market was 59 per-

cent, while the RJR brands' combined share of this youth market was 19.9 percent. "Hopefully," Long wrote, "our various planned activities that will be implemented this fall will aid in some way in reducing or correcting these trends."

Starting around 1980, as anti-tobacco lawsuits mounted, RJR officials stopped referring, even internally, to any interest in marketing to anyone younger than 18. A September 1980 memo, stamped "Confidential," said executives must change their terminology, even internally, for referring to this "target market."

But in a July 1982 agreement, RJR contracted with Atlanta-based Data Resources Inc. to develop "AGEMIX," a system to track smoking rates among people as young as 12. A 1984 report by RJR researcher Diane Burrows, stamped "Secret," contains a chart identifying "younger adult" smokers as young as 12.

That 1984 RJR marketing department report exhaustively examined the history of the market appeal of U.S. cigarettes, brand by brand. In it, Burrows wrote, "if younger adults turn away from smoking, the industry must decline, just as a population which does not give birth will eventually dwindle. . . . The renewal of the market stems almost entirely from 18-year-old smokers."

The documents provide strong evidence that those concerns prompted the Joe Camel campaign, which was based on an earlier ad blitz in France during the 1970s that was a smashing success among youngsters. In a 1974 memo, an RJR official said the French campaign was "about as young as you can get, and aims right at the young adult smoker Camel needs to attract." Then, in a March 1985 memo, RJR official James S. Carpenter noted that the French Funny Camel print ad and T-shirt campaign using a cartoon camel had been designed to "youthen the brand."

The Washington Post

THURSDAY, JANUARY 15, 1998

1/2



House Majority Leader C. Richard Crumwell Jr. has a grip on Thomas W. Moss Jr., who managed to keep his grip on the post of House speaker.

Va. Democrats Prevail In Wild Opening Session

Speaker Re-elected Amid GOP Catcalls

By Ellen Nakashima
and Spencer S. Hsu

RICHMOND, Jan. 14—Virginia's House dropped all pretense of political order in today's opening session, as Democrats re-elected Speaker Thomas W. Moss Jr. while Republicans, who had hoped to seize control for the first time, jeered, chanted objections and repeatedly slammed their desks in protest.

The wild scene—which one GOP spokesman said made the state look like "the Banana Republic of Virginia"—followed a five-hour parliamentary standoff brought on by Republicans.

They were trying to force Democrats to either share power or allow three new GOP delegates who were elected Tuesday to be seated ahead of schedule so they could take part in choosing a speaker.

The new delegates give Republicans 49 seats in the 100-member House, where there also is a GOP-leaning independent. But because Republicans lost a court effort to force state elections officials to speed up their vote-verification process, the new delegates won't officially be seated until Friday.

That didn't stop Republicans from trying to seat the new delegates. **See VIRGINIA, A16, Col. 1**

Gov. George Allen tells the legislature goodbye—for now. **Page D1**



Maryland Sen. Larry Young, center, with Elaine Simon and the Rev. John Lewis Wright, arrives for the beginning of the session at State Capitol.

Move to Expel Young Tops Maryland Senate Agenda

By Charles Babington
and Lisa Frazer

Maryland senators allowed embattled colleague Larry Young to take his seat as the General Assembly convened amid unusual drama yesterday, but they immediately introduced a resolution to expel him on ethics charges and vowed to dispose of the matter quickly.

As 25 supporters rallied and sang outdoors, Young (D-Baltimore) made a brief and quiet appearance on the Senate floor. Later, however, he appeared more defiant than ever.

Addressing his supporters near a statue of Thurgood Marshall, Young said he had little to

apologize for. The Senate has no business expelling him, he said, and the seat "belongs to the people of the 44th District."

In an interview, Young said that he plans to answer the ethics allegations point by point tomorrow and that if he is expelled, he will challenge in court any Senate effort to block his quick reappearance.

Lawmakers said Young's ethics case will dominate the General Assembly for the next few days and may reverberate throughout this year's statewide elections. Some African American supporters of Young, who is black, are warning of a political backlash if he's treated too sternly, and Republican and Democratic oppo-

See MARYLAND, A12, Col. 1

Internal R.J. Reynolds Documents Detail Cigarette Marketing Aimed at Children

By John Mintz and Sandra Torry
Washington Post Staff Writers

R.J. Reynolds Tobacco, the nation's second-largest cigarette company, sought for decades to reverse the declining sales of its brands by developing aggressive marketing proposals to reach adolescents as young as 14 years old, according to internal company documents released yesterday.

The papers, which span from 1973 to 1990, include confidential marketing surveys, communications to the R.J.R. board of directors, reports by outside advertising firms, long-term planning documents and other internal memos, all of which deal with the youth smoking market.

The 81 documents contrast sharply with the company's repeated public declarations that it does not target young people, collectively sketching a picture of a company that seemed decades ago to determine that its financial future depended on recruiting a new generation of smokers.

Many of the documents outline R.J.R.'s thinking that led up to the 1988 launch of its controversial Joe Camel cartoon advertising campaign. The campaign, criticized by federal officials and public health activists who said it appealed to children, was

voluntarily ended last year by the company.

The issue of tobacco companies' marketing to youth has become the major focus of the national debate about smoking. The Food and Drug Administration has asserted authority over tobacco products to reduce youth smoking, and it is also a primary goal of the proposed national tobacco settlement that Congress will consider when it returns.

Yesterday, R.J.R. repeated its denial that it had targeted young people and said it remains committed to reducing youth smoking. The documents were taken out of context, the company said.

"Our documents reflect the social attitudes of the times in which they were created. And while attitudes toward smoking have changed over the past several decades, [Reynolds'] position and policy have remained constant: that smoking is a choice for adults and marketing programs are directed at those above the legal age to smoke," the company said.

The documents, most of which have never before been made public, were released by Rep. Henry A. Waxman (D-Calif.), who obtained them from law firms that had worked with California lawyer Janet Mangini. Mangini sued R.J.R. to stop the Joe

RJ Reynolds
Tobacco Company

OUR TWO MAJOR BRANDS, WINSTON AND SALEM, SHOW COMPARATIVE WEAKNESS AGAINST MARLBORO AND KOOL AMONG THESE YOUNGER SMOKERS. WINSTON IS AT 14% IN THE 14-24 AGE GROUP VERSUS MARLBORO AT 33%. SALEM IS AT 9% VERSUS KOOL AT 17%. AGAIN, OUR BRANDS SHOW COMPETITIVE STRENGTH IN THE 25 AND OLDER AGE GROUPS.

THIS SUGGESTS SLOW MARKET SHARE EROSION FOR US IN THE YEARS TO COME UNLESS THE SITUATION IS CORRECTED.

Camel campaign in 1991. Last September, the company and Mangini settled the case, and R.J.R. agreed to release internal files on sales to young people.

One of the documents quotes from a Sept. 30, 1974, presentation to the Reynolds board of directors in Hilton Head, S.C., in which the company's marketing vice president,

C.A. Tucker, addressed the looming decline in R.J.R.'s business and the need to reorient the company's entire marketing focus on young people.

"They represent tomorrow's cigarette business," Tucker said. "As this 14-24 age group matures, they will account for a key share of the total." **See TOBACCO, A18, Col. 1**

Labor Secretary Is Probed by Justice Dept.

Businessman Alleges Herman Sold Clout

By Roberto Suro
and Charles R. Babcock
Washington Post Staff Writers

The Justice Department has opened a preliminary investigation into allegations that Labor Secretary Alexis M. Herman accepted illegal funds in exchange for assisting a business associate while he served as a White House aide during President Clinton's first term, department officials said.

The opening of the investigation is not itself a sign that there is proof of wrongdoing by Herman. Under the Independent Counsel Act, the attorney general is required to look into any specific and credible information that a Cabinet official may have committed a crime. The inquiry will determine only whether there is enough information to justify appointment of an independent counsel who would further probe the matter.

The investigation is due to be completed in a matter of weeks, an official said. Herman's sole accuser is Laurent Yene, a 42-year-old African businessman who has told federal investigators that Herman participated in a scheme to sell the influence of her White House office on behalf of companies needing help from the federal government, officials said.

Herman's attorney, Neil Eggleston, said: "These allegations against Secretary Herman are just not true. We have not been contacted by the Justice Department. If we are, we will provide whatever information they need to help them put this to rest."

See HERMAN, A10, Col. 1



John Knight, a surgeon from Shreveport, La., says he lacked the proper emergency medical equipment to aid fellow passenger Lashann Royal.

Cardiac Arrest in the Air —Without the Tools to Cope

Emergencies Raise Issue of Airline Preparedness

By Susan Okie
Washington Post Staff Writer

"Is there a doctor on board?" John Knight, a surgeon from Shreveport, La., was on the first leg of a vacation with his family on Dec. 22 when the plane's intercom delivered that terse question. Thus began the worst medical experience of his life.

For the next 25 minutes, as the plane descended to Miami, Knight and a fellow passenger—a newly trained paramedic who had never before treated a patient—kneelt in the aisle and tried desperately to resuscitate a 25-year-old woman, Lashann Royal of Deerfield Beach, Fla., who had suffered cardiac arrest.

But when Knight tore open the

medical kit that the Delta flight attendants handed him, he found a stethoscope and syringes but not the equipment he needed most: a breathing tube and a device to pump oxygen into the lungs. Despite continuous cardiopulmonary resuscitation, the two men failed to revive the young woman. She was declared dead when the plane landed.

"The thing that's been so hard about this for me—I watched a 25-year-old girl die, essentially drown, with what I think is the ability to have made a difference," said Knight. "And I did not have the equipment."

Delta Air Lines, which carries more passengers than any other U.S. airline, said in a statement **See EMERGENCIES, A6, Col. 1**

Suharto Acts To Restore Confidence

Indonesian Leader, IMF Agree on Reform Plan

By Paul Blustein
Washington Post Staff Writer

JAKARTA, Indonesia, Jan. 15 (Thursday)—Indonesia's embattled President Suharto, seeking in one grand stroke to restore confidence in his nation's battered economy, agreed today to a reform package, according to the head of the International Monetary Fund.

Government officials familiar with the plan said before the announcement by IMF Managing Director Michel Camdessus that the reforms would include curbs on official favoritism for companies controlled by Suharto's wealthy children.

The package is designed to accomplish for Indonesia what a \$43 billion bailout launched in November couldn't—stem a massive flight of capital from the world's fourth-most populous country that has marked one of the gravest turns in Asia's financial crisis.

The plan has been eagerly anticipated this week in financial markets as a potentially crucial turning point in the crisis, and the mere fact that it was imminent helped fuel a powerful rally in Asian currencies and stock prices Wednesday. Indonesia's currency, the rupiah, which was in free fall last week, soared 10 percent against the U.S. dollar, and Jakarta's benchmark stock index rose 6 percent.

In early trading this morning, stock markets in Indonesia, Singapore, Malaysia, South Korea and Thailand **See CRISIS, A31, Col. 1**

INSIDE

Visa Fraud Ring
Hundreds of foreign nurses were brought into the country illegally to work at substandard wages. **NATION, Page A8**

U.N. Criticizes Iraq
The U.N. Security Council urged Iraq to halt standstill on weapons inspections. **WORLD, Page A25**

Two Upsets
A Maryland handed top-ranked North Carolina its first loss, 89-83, and George Washington upset No. 18 Xavier, 78-73. **SPORTS, Page E1**

The Post on the Internet
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From Austin, Regards for D.C. Administrator

Admirers Praise Manager's Texas Legacy, but Critics Raise Flags

By Vernon Loebe
Washington Post Staff Writer

AUSTIN—As they hailed road fill across town to a lucky city dump truck this week, Mario Hernandez and Manuel Garcia recalled the day Camille C. Barnett came out to rake hot asphalt with their "overly" crew.

"It was on Foothill, off 35th," Garcia remembered, waxing nostalgic about the effort of Austin's then city manager to empower blue-collar workers through a program called Total Quality Management. "She raked asphalt, and she jumped on that steel roller, and she rolled asphalt."

"She was interested in, 'What do you have to say?'" Hernandez added. "And she was interested in, 'What will work?' That was very important. It made you feel part of a team. And we were doing a great job—nothing

and business owners can only hope Barnett will have the same galvanizing effect on the District's demoralized work force as she began work today as the city's chief management officer."

Austin is a rapidly growing city with almost the same population as Washington. Insiders and outsiders in the politically rowdy and racially diverse Texas capital say Barnett's got the political smarts and the management skills to do the job, if only she can keep her forceful personality from overwhelming the people for whom she works.

That's the consensus that emerged in two dozen interviews with those who worked with her or watched during her five years at the helm in Austin. Whether they loved or loathed her, they all had strong feelings about the city's former top



Tighter Tobacco Controls Are Sought by President

By DAVID E. ROSENBAUM

WASHINGTON, Jan. 15 — President Clinton today used the disclosure of new evidence of how a tobacco company had courted teen-age smokers to raise the political pressure on Republicans, many of whom are less enthusiastic than he is about regulating the tobacco industry.

Internal records from the R. J. Reynolds Tobacco Company, made public on Wednesday, "show more than ever why it is absolutely imperative that Congress take action now to get tobacco companies out of the business of marketing cigarettes to children," the President said.

The documents, indicating that the company had a long-term strategy for expanding cigarette sales to smokers as young as 14, are sure to be used by the White House and antismoking forces in Congress to advance their case for legislation this year less favorable to the tobacco companies than the settlement the companies reached with 40 state attorneys general last June.

"These documents make the case for the toughest possible penalties because this industry can't be trusted not to sell to kids," said Bruce N. Reed, director of the Mr. Clinton's Domestic Policy Council.

Lawmakers will begin work on tobacco legislation as soon as the Congressional session begins late this month, but the prospect for enactment of legislation is uncertain.

The opening act will be a hearing Jan. 29 before the House Commerce Committee, where the chief executive officers of all the major American tobacco companies have been called to testify.

In the White House and among Democrats in Congress, the tobacco issue is seen as a way to reverse the damage caused by Democratic fundraising excesses in the 1996 election campaign by portraying Republicans as in the pocket of tobacco companies. Tobacco interests were among the top donors in the 1996 elections, contributing a total of almost \$10 million. According to the Center for Responsive Politics, a nonpartisan group that monitors campaign finances, Republican candidates received three times as much of this money as Democratic candidates, and Republican Party committees received five times as much as Democratic committees.

On the other hand, Congressional strategists say, many Republicans hope to turn the issue from one that focuses on public health to one that emphasizes their party's opposition to higher taxes.

That helps explain the statement this week of Senator Trent Lott of Mississippi, the Republican leader, that odds had turned against passage of any tobacco legislation this year. Mr. Lott told The Washington Post that the President had undermined the prospects of legislation by proposing to use money raised from

tobacco companies to pay for social programs he favored.

The budget for next year that the President will send Congress next month contemplates approval of legislation that will raise \$10 billion from tobacco companies, Administration officials said today. The money, they said, would be used not just for antismoking measures but also for other programs like child care.

As he boarded a helicopter in the rain on the White House lawn this afternoon, President Clinton told reporters, "I am confident that every member of Congress without regard to party who reviews these documents will resolve to make 1998 the year that we actually pass comprehensive legislation to protect our children and the public health."

Republicans later criticized the President for not proposing specific legislation of his own. "Calling for action is not enough," said Representative Thomas J. Bliley Jr. of Virginia, the Commerce Committee chairman.

But the White House learned a lesson in 1994 when the President's detailed health care legislation was torn apart by Congress, causing one of the worst political defeats of his Presidency. This time, White House officials say, the President will not give his opponents such a target to shoot at but will try to work with the lawmakers to write a bill.

The starting point for the President and the lawmakers is the \$368.5 billion settlement over 25 years between the tobacco companies and the

state attorneys general. In exchange for the money, the settlement would give the companies limited protection against lawsuits. The settlement cannot go into effect unless Congress approves the necessary laws.

The documents from R. J. Reynolds, a subsidiary of RJR Nabisco Holdings, give ammunition to the argument of some lawmakers that the companies should not be given legal protection. "The information that we just got," said Representative Henry A. Waxman, Democrat of California, "is not going to convince the American people that we ought to give the tobacco industry special treatment that no other corporation has when they've acted so reprehensible."

But without strong protection against lawsuits, the companies are unlikely to agree to pay money to the Government, and many lawmakers and public health experts believe such a payment to be an essential part of effective legislation.

The theory is that the cost of the payment would be passed on to consumers in the form of higher prices for cigarettes, which would result in fewer young people smoking. The money could also pay for antismoking programs and compensate the states for the money they have spent under Medicaid to treat patients who became ill from smoking.

that given the party's anti-abortion platform, it is only reasonable that party money be withheld from candidates who do not call for prohibiting the type of abortions that occur late in a woman's pregnancy.

Yet opponents fear that the debate could undermine the success Republicans have had putting Democrats on the defensive on the issue.

Even former Vice President Dan Quayle has privately urged party members to defeat the resolution. Asked why Mr. Quayle would oppose the resolution since he is trying to maintain relations with conservatives for a possible bid for President in 2000, Phyllis Schlafly, the prominent abortion foe, said with a laugh, "I didn't know he was a contender."

Mr. Bordonaro's showing demonstrated that efforts to defeat the resolution were misguided.

"The party establishment's attempt to dictate to the rank-and-file is resented," Mr. Sutherland said.

Charles Yob, the Republican committeeman from Michigan who heads the party's Resolutions Committee, said he expected the resolution to be voted out of his committee without comment so it could be debated by the full national committee.

Only a few prominent Republicans have embraced the resolution, including Senator John Ashcroft of Missouri, Gov. Frank Keating of Oklahoma and Steve Forbes, the publishing magnate who ran for President in 1996. Supporters argue

Late-Term Abortion Issue Pulls Republicans in Two Directions

stands. In separate statements today, Speaker Newt Gingrich and Senator Trent Lott, the majority leader, restated their support for a prohibition on late-term abortion but did not mention the resolution.

"It is unfortunate," Mr. Gingrich said, "that an internal debate over politics is being allowed to obscure the more important question of why a President who has declared the need for 'compassion' for the less fortunate has vetoed the partial birth abortion ban."

But Dwight Sutherland, a national committeeman from Kansas, said

Mr. Bordonaro favors the resolution on abortion, and his position is likely to draw particular interest because the special election is a high-profile contest that has already drawn outsized attention.

When asked about the resolution, Mr. Bordonaro said in an interview: "The feelings are very strong, but I would be supportive. It is an issue that the party should take up."

But most party leaders, worried that the resolution would scare off moderate Republicans, including important donors, who either oppose the resolution or have refused to take

nounced the resolution as at odds with efforts to broaden the party.

But even if the resolution falls in a vote on Friday, as most people here predict, the internal rupture over abortion is likely to increase, particularly after a special election on Tuesday to fill a vacant House seat on the central California coast.

Assemblyman Tom J. Bordonaro, a conservative, placed ahead of another Assemblyman, Brooks Firestone, a moderate who was the party establishment's preferred candidate. Mr. Bordonaro will face Lois Capps, a Democrat, in a runoff on March 10.

By RICHARD L. BERKE

INDIAN WELLS, Calif., Jan. 15 — Once again, a tug-of-war over abortion is dividing the Republican Party, and two developments in California this week underscore the strains.

Top Republican officials converged at this community of spas and golf courses near Palm Springs today for the party's winter meeting with the chief goal of defeating a resolution to withhold party money to candidates who oppose banning late-term abortions. Most prominent Republicans, even foes of abortion, have avoided the controversy or de-

The New York Times

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Andrew Muhlman/The New York Times

President Clinton and Labor Secretary Alexis Herman joined Jesse Jackson yesterday at a Rainbow Coalition conference in New York.

Times, about his business dealings with Ms. Weaver. At the time, he never made any accusations about handing Ms. Herman cash. And he said he had no documentation to support an accusation he did make: that he and Ms. Weaver had promised to kick back to Ms. Herman 10 percent of the fees from clients to whom she was introduced.

Among the other news organizations that Mr. Yene approached last year were The Washington Post, USA Today and ABC News. On Wednesday evening, Brian Ross of ABC broke the story that the Justice Department began a review of Mr. Yene's accusations last fall.

Mr. Ross said in an interview today that he took Mr. Yene to the Justice Department last fall, at Mr. Yene's request, and introduced him to an official there to outline the charges against Ms. Herman and Ms. Weaver.

That involvement was criticized today by one of Ms. Weaver's lawyers, E. Lawrence Barcella, who said ABC had initiated an investigation and had then proceeded to play it up, leading the evening newscast with it.

"It's quite apparent what's gone on here," Mr. Barcella said. "They walk Yene into the Justice Department, trigger an independent counsel review under a legal standard that is incredibly low and then, wham, promote this big exclusive story about an independent counsel review."

Mr. Ross said today that he could not comment on details but that the network was preparing a report to explain how it had handled the Yene case.

On Wall St., Fervent Plea For Minorities

Jesse Jackson Seeks Job Opportunities

By PETER TRUELL

The Rev. Jesse L. Jackson exhorted Wall Street and the nation's business managers yesterday to offer decent investment and job opportunities to blacks and other minorities. The call came on the first day of an unusual gathering of business, political and labor leaders at the World Trade Center to discuss issues of race and opportunity in America.

The Rev. Dr. Martin Luther King Jr. "understood that equal opportunity required entry into the marketplace and access to jobs, education and private investment," Mr. Jackson said, invoking his mentor, whose birthday will be celebrated on Monday. The purpose of the Wall Street conference, Mr. Jackson said, is "to expand the marketplace to offer opportunity to all."

Mr. Jackson yesterday drew support from President Clinton and Treasury Secretary Robert E. Rubin, who both came to New York City to address the meeting. "Our economy is going to fall far short of its potential unless it is for all of us," Mr. Rubin told the conference in his speech yesterday morning, arguing

that offering more opportunities to minorities is good for profits. "Inclusion," he said, "is critical to the bottom line."

Such words seemed to echo Mr. Jackson's own themes. "We'll pay for not investing; we're in one big tent," Mr. Jackson told reporters earlier this week, as he discussed the Wall Street conference, arguing for a fairer allocation of resources that would direct more toward inner cities, blacks and other minorities.

Mr. Jackson also said this week that his coalition was acquiring small stockholdings in a number of big companies, allowing it to monitor, and lobby, on minority hiring and procurement practices to insure the companies paid sufficient attention to minority interests. He did not identify the possible companies.

"Rikers Island is a more expensive university than N.Y.U.," Mr. Jackson said, referring to the cost of running New York's crowded state jail. "What's missing in this dialogue has been corporate America. They must lead the way on making the case, as educators and in skills and training. There is this wealth gap here. The biggest since 1929."

The conference, at Windows on the World atop the World Trade Center, is the first annual gathering of the Rainbow/PUSH coalition that Mr. Jackson leads. The coalition opened an office on Wall Street a year ago to draw attention to minority issues

and to lobby the country's financial leaders on their home ground.

This week's gathering attracted hundreds of businessmen and financiers, including many blacks, and several top Wall Street executives and corporate leaders, including Jacques Nasser of the Ford Motor Company; John S. Chalsty, the chairman and chief executive of Donaldson, Lufkin & Jenrette, a unit of Equitable and James Dimon, the chairman and chief executive of Salomon Smith Barney Inc., a subsidiary of Travelers Group.

Mr. Dimon, whose firm is one of three co-sponsors of the conference along with the New York Stock Exchange and Rainbow/PUSH, addressed executives during the conference's morning session, commending his own firm's approach to diversity and its stated intention to reward those managers who seek out and hire sufficient numbers of women and minorities.

These new policies resulted from the settlement of a class-action lawsuit brought by more than 20 Smith Barney women employees, which contended that the company had frequently shown gender bias and that there had been substantial sexual harassment in the workplace.

Federal Timber Sales Program Losing Millions

Environmentalists, Agency Differ on 'True Cost'

Seattle Times

SEATTLE—Commercial logging in national forests is a money loser for taxpayers, with much of the red ink produced in the states of Washington and Oregon.

A Wilderness Society study of 1996 operations says the U.S. Forest Service lost nearly \$17.5 million on logging in the Gifford Pinchot Forest near Mount St. Helens in 1996 and \$13.5 million in the Mount Baker-Snoqualmie Forest in the Cascades, both in Washington.

The study says eight of the 10 biggest money-losing forests are in the Pacific Northwest, whose legendary timberlands have traditionally rung up big profits for the Forest Service. The biggest loss—\$30.5 million—was in the Tongass National Forest in southeast Alaska, according to the study.

The Forest Service agrees it has started losing money. But where logging critics say the losses are evidence that commercial logging should be curtailed, the Forest Service says the costs are the inevitable result of environmental concerns—higher costs in operating with greater sensitivity, and lower revenue because logging has steadily been reduced.

Nationwide, the conservation group figures the agency lost \$204 million on timber sales. Those losses, the Wilderness Society contends, amount to taxpayer subsidies both for private timber companies that bid on the sales and for environmental damage caused by logging.

"They're doing something wrong if they can't turn a buck on a timber sale," says Bob Friemark of the Wilderness Society's Northwest regional office. "Finally, we're finding out the true cost of doing a timber sale. Clearly, it's not in the public interest to do some of them."

There is little agreement on the "true cost" of logging.

The Forest Service last fall for the first time acknowledged that it lost money on logging sales, although its figure—\$15 million for fiscal 1996—was far smaller than the Wilderness Society's calculation.

The Wilderness Society calculates the costs as including \$154 million worth of payments to counties, which

by law get a fourth of gross timber-sale revenue from national forests within their borders. Peggy Kain, who oversees timber sales for the Forest Service in Washington and Oregon, says those are not true logging costs because Congress has decreed the money must be paid even if timber sales are reduced or canceled.

The Wilderness Society calculations also include a larger share of costs for road building, maintenance, administration and environmental programs the Forest Service says are used to improve wildlife habitat and repair shoreline areas.

Ron Dehart, a spokesman for the Mount Baker-Snoqualmie National Forest, says tougher agency land-use rules and the demand for more environmentally sensitive logging have pushed up the agency's costs in timber sales.

"You can't treat our timber business as a stand-alone business," Dehart said. "We're paying for the public demand for broader, better stewardship, not just getting the board feet cut. It's a dramatic change in the way we do business."

The financial losses also reflect a deeper dilemma for the Forest Service.

The Wilderness Society report is part of continuing attacks against taxpayer subsidies in the public forests. Last year, a coalition of conservation groups and fiscal conservatives nearly succeeded in slashing the agency's road-building budget in Congress.

But agency revenue also is falling because environmental pressure has helped reduce the amount of timber cut in the Northwest's federal forests by nearly three-fourths in the past decade. At the Mount Baker-Snoqualmie Forest, less than an hour's drive from Seattle, 9.3 million board feet of timber was cut last year, compared with more than 250 million board feet in 1985.

Forest Service Chief Mike Dombeck last month said a national forest system facing increased demands for wildlife protection and recreation can no longer be expected to post regular profits.

"Forests live a long, long time," Dombeck said. "To assume that you are going to run a profit on an annual basis for everything you do is a false assumption."

Marketing Experts Advise Ads Against Youth Smoking

Alcohol Industry Efforts Could Serve as Guide

By Beth Berselli
Washington Post Staff Writer

TOBACCO ADS. From G1

Tobacco companies' marketing techniques are again in the spotlight, after revelations Wednesday that RJ Reynolds Tobacco Co., the second-largest cigarette company, specifically targeted youth smokers in its advertisements.

Advertising and image-building experts agree that in this arena the industry has a public relations problem, with the perception that the tobacco companies are placing their self-interest over public health.

Experts say that tobacco companies can combat these views by emphasizing a message against youth smoking in their advertising, paralleling what the beer industry has done in recent years.

Joe Gleason, managing director of Manning, Selvage & Lee, a Washington public relations firm, said the companies should follow the lead of the alcohol industry and sponsor advertising with a message that essentially is, "If you're under 21, we don't want your business." Those kind of ads speak to a level of "corporate responsibility," said Gleason, who specializes in crisis management.

"There's no magic wand" for the tobacco companies, Gleason said. "It's a long road to rehabilitation in the public's eye... but this would at least be a step in the right direction."

Thomas Lom, executive vice president at Saatchi & Saatchi, a New York advertising firm, also supports the idea of an anti-smoking campaign aimed at youth, particularly one featuring youngsters' role models. "Joe Camel made smoking cool; what you've got to do is get Michael Jordan to say it isn't cool," he said.

Lom speaks from experience. In

See TOBACCO ADS, G4, Col. 1

the 1980s he helped Johnson & Johnson, the makers of Tylenol, handle a public relations nightmare when product tampering led to the deaths of half a dozen people.

There's one catch, though, Lom said. The industry must voluntarily sponsor such ads, rather than waiting for the government to mandate this. "Everything they've done has been forced upon them... they do it kicking and screaming, fighting every step of the way," he said.

For example, RJR decided to retire its longtime winning advertising icon, Joe Camel, last July—only after the Federal Trade Commission slapped the company with an unfair-advertising complaint.

Experts said the industry's credibility would improve if companies began running anti-smoking ads before final approval of the \$368.5 billion settlement reached by the tobacco companies and 40 state attorneys general last June. The settlement, now awaiting congressional approval, requires \$500 million to be spent annually on "counter-advertising" that explains the dangers of smoking. The advertising, however,

would be run by outside organizations and not by the tobacco companies.

Since the 1960s the companies have taken some steps to send an anti-youth-smoking message. For example, after the FTC first took on the tobacco industry in the mid-1960s, the industry responded with a voluntary cigarette advertising code. It included bans on advertising in publications targeted to youth, such as comic books and school newspapers, as well as a provision prohibiting ads or statements that "smoking is essential to social prominence, distinction, success or sexual attraction."

One problem with such an anti-smoking campaign, some advertisers said, is that they lack the sizzle of Joe Camel or the Marlboro Man and aren't as attractive to the tobacco

companies, which are in business to sell cigarettes.

Al Ries, chairman of Ries & Ries, a Roswell, Ga., marketing-strategy firm, pointed out that brand loyalty is formed during one's youth, and this is particularly true for cigarettes.

In a real sense, he said, a tobacco company's profits depend on attracting young smokers, who may be drawn in by advertising. The problem is particularly acute for RJR because it's not the brand leader. "If RJR did not target young people, it would be out of business," Ries said.

If RJR or another tobacco company was his client, Ries said he would advise them to "split the difference"—that is, run enough youth-focused advertising to keep customers but at the same time run public education ads to satisfy critics.

Some ad agencies have found ways to spice up anti-smoking advertising and have built their creative reputation on their talent for doing so. Arnold Communications, a Boston ad agency, has developed award-winning commercials on the dangers of smoking for the Massachusetts Department of Health. The account is worth \$12 million in billings.

One spot shows a man singing "Happy Birthday" to the tobacco industry through the electronic tones of his voice box. "Celebrating 121 years of fine tobacco products," the commercial says. "It's time we made smoking history."

In another recent Arnold ad, the brother of one of the Marlboro Man models describes his sibling's death from lung cancer. Another ad features an anti-smoking message from Patrick Reynolds, the grandson of R.J. Reynolds. "Why am I telling you this?" he asks. "I want my family to be on the right side for a change."

Lisa Unsworth, executive vice president at Arnold, said the "edgy" nature of these ads has caught children's attention—the same way that Joe Camel, the Virginia Slims woman and other tobacco icons have done in the past.

"We're fighting an age-old rite of passage for kids," she said. "Smoking is one of the things you do when traveling down the path from being a kid to being an adult. We're fighting a social norm."

"In the five years we've done this kind of advertising, we've seen significant changes in attitude as it relates to kids' desire to smoke," she added.

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FRIDAY, JANUARY 16, 1998

Clinton's Tobacco-Based Budget Puts GOP in Hot Spot

By JACKIE CALMES
And DAVID ROGERS

Staff Reporters of THE WALL STREET JOURNAL
WASHINGTON — President Clinton is betting his second-term agenda on a tobacco deal.

With the tobacco industry in public disrepute as never before—especially after this week's evidence that R.J. Reynolds Tobacco Co. targeted teenagers for smoking — Mr. Clinton is counting on the industry to bankroll a raft of popular new initiatives and help him dodge the lame-duck label. In his budget proposal early next month, the president will be able to claim he has reached balance. Yet Mr. Clinton is also proposing about \$100 billion in new spending over five years — about 60% funded from unspecified new tobacco revenues.

Yesterday at the White House, Mr. Clinton ratcheted up pressure on the industry — and on the Republicans in Congress. The release of the internal Reynolds documents, he said, shows "more than ever why it is absolutely imperative that Congress take action now to get tobacco companies out of the business of marketing cigarettes to children." Democratic Sen. Edward Kennedy seconded Clinton's comment, saying tobacco "may well be the major issue of this Congress in defining Republicans."

The Republicans who control Congress already are squirming in the face of Mr. Clinton's tactics and fumbling for a response. In a brief interview last night, Senate Majority Leader Trent Lott of Mississippi complained that Democrats simply want a political fall guy, and said he warned the president late last year that a legislative settlement was "dead in the water" unless Mr. Clinton got more involved. "He's got to put his fingerprints on it, and he's got to lead," Mr. Lott said. "Now he's spending the money."

But White House strategists gamble that Democrats will win either way. Either

Next Stop: Minnesota

Even with a settlement in the Texas tobacco case, the industry is likely to face tough negotiations in Minnesota. Article on page B8.

they get a deal in the GOP Congress, or they can blame Republicans for simultaneously defending Big Tobacco and blocking funds that chiefly would go to child-care subsidies and biomedical research.

"The Republican leadership should start worrying less about tobacco corporate chiefs, and more about protecting America's children from tobacco," according to White House senior adviser Rahm Emanuel.

Republicans, meanwhile, privately admit the politics are dicey for their party. The GOP has long been identified by its financial ties to Big Tobacco, as well as by its opposition to anything that looks like a

tax increase. Some party strategists are arguing that could leave GOP candidates in a vulnerable position going into the 1998 elections. "I think Republicans should throw the industry overboard," said Rich Galen, a former aide to House Speaker Newt Gingrich. And Rep. Thomas Bliley, the Virginia Republican who formerly was a chief industry ally, said he has written to five top tobacco executives requesting they appear before Congress on Jan. 29 to testify.

Meanwhile, signs of the antitobacco environment are everywhere. In California, publicly funded billboards mock the Marlboro Man as an emphysema victim. Conservative Tom Bordonaro, who won a special GOP congressional primary this month, joked that "if you're a smoker, you're not even a second-class citizen." Even in conservative Nebraska, said Democratic Sen. Robert Kerrey, there's been "a huge sea change" in public attitudes in the last several years: a consensus that "the tobacco industry has been misleading consumers."

Lott's Faux Pas

In this climate, even GOP supporters winced this week after Mr. Lott told reporters that the GOP Congress was much less likely to pass a tobacco settlement as a result of Mr. Clinton's efforts to use the

money to finance his domestic agenda. Republicans fret that Mr. Lott telegraphed a knee-jerk obstructionism, and they bemoan the ill luck of having sensational new tobacco documents disclosed on the heels of the Lott remarks. Democrats, meanwhile, salivated at the prospect of political campaigns tying Republican inaction to tobacco contributions.

Mr. Clinton, in the budget he will propose in the first week of February, is counting on about \$10 billion in fiscal 1999, which begins Oct. 1, and as much as a total of \$60 billion over five years in funds from tobacco. That could take the form of either a cigarette tax of about \$1.10 to \$1.20 a pack, or industry fees or voluntary payments — the president will leave the specifics to Congress. About \$20 billion of the \$60 billion in revenues would be reserved for states, though some of the grants would come with strings — for instance, requirements that states use some money for child-care subsidies.

GOP Will Focus on Teen Smoking

The president's new Medicare initiative — allowing some Americans between the age of 55 and 64 to buy into the seniors' health insurance — would largely pay for itself through beneficiaries' premiums. But the tobacco revenues help fund other Clinton pets, such as his child-care propos-

als and at least \$15 billion over five years for the National Institutes of Health.

House GOP leaders, meanwhile, indicated again yesterday that any tobacco-tax increases would have to be offset by tax cuts. And after the president's challenge to Congress yesterday, Mr. Bliley issued a terse response endorsing Mr. Clinton's comment that reducing teen smoking is America's "bottom line."

But, he chided, "if reducing teenage smoking is the White House's bottom line, as it is mine, calling for action is not enough. The president must take action, exert leadership and work with Congress to resolve the problem. We have yet to see a legislative proposal from the White House."

Should Mr. Clinton prevail, it won't be the first time he has gone to the tobacco trough and brought the GOP Congress along. Last year, in the bipartisan budget deal, he secured \$24 billion over five years to expand children's health insurance with a cigarette-tax increase. But he's seeking much more now, and reaching a tobacco settlement this year won't be easy. The Reynolds documents could in fact make it harder to achieve, lawmakers in both parties said.

In the proposed deal that the industry reached last year with state attorneys general and consumer groups, it would pay at least \$368.5 billion over 25 years, and accept advertising and marketing restrictions, in return for limits on its legal liability.

But liberal tobacco foes such as Sen. Frank Lautenberg seized on the Reynolds information to press their opposition to any liability protection for tobacco makers — the primary incentive for the industry and its congressional supporters to cut a deal. "These revelations make it almost impossible for members of Congress to give the industry immunity and then go home to face the children in their districts," the New Jersey Democrat said.

Senate Democratic Leader Thomas Daschle, acknowledging the importance of tobacco monies to Mr. Clinton's agenda, said a "deal" as proposed might be out of the cards. But he added, "I still think an agreement is a strong possibility."

Ultimately, action may rest more on veteran lawmakers such as Mr. Bliley, the traditional tobacco champion, and California Rep. Henry Waxman, the industry's Democratic nemesis. From opposite poles, they have nonetheless made quiet progress in Commerce Committee hearings. The tobacco companies, meanwhile, are "in a free fall, and they can't dictate the terms," said Rep. Waxman. "That settlement is not going to become law. We're dealing with a new reality."

THE WALL STREET JOURNAL
FRIDAY, JANUARY 16, 1998

Sen. Reid "was saying, 'These guys [Del Webb] can kill this bill' and 'Hey, give me some help here, Bob,'" Mr. Moon says. Mr. Armstrong "sympathized," he adds, but declined to provide the letter.

Sen. Reid doesn't dispute this account but says he was only seeking BLM assistance within the regulations. "We didn't tell them to approve it," the senator says. "We just didn't want [Del Webb] to lose their place in the pecking order."

Mr. Moon settled instead for a letter signed by the entire Nevada congressional delegation expressing support for the alternative swap. Sen. McCain lifted his hold, and the conservation bill passed, Mr. Moon says. The lobbyist then proceeded to use the letter like a cudgel, driving BLM officials hard to honor the deal he had made with the Nevada delegation.

He interpreted the delegation's letter liberally. For instance, Del Webb had spent millions of dollars processing the first, unsuccessful land swap. Mr. Moon told BLM employees in Las Vegas that the letter's recommendation "that Del Webb be given credit to the extent possible for its previous investments" meant the BLM should credit the earlier payouts toward the company's costs in processing the second proposed exchange.

Name Dropping

Mr. Moon wasn't bashful about using Mr. Babbitt's and Sen. Reid's names with BLM employees. "He'd say, 'Both of them support this exchange,'" the agency's Mr. Ryan says. "I don't want to have to give them the bad news that you've missed this deadline." Mr. Moon says he did use their names but didn't threaten to pull strings to get lower-level people overruled.

Sen. Reid acknowledges that Del Webb held a fund-raiser for him at its Phoenix headquarters in late 1994, raising \$8,000 from Del Webb employees and \$2,000 from Mr. Moon. "I frankly raise a lot of money in Arizona," Sen. Reid says. But he says the contributions had no effect on his stance toward the land exchange. He says he supported the Del Webb exchange because the developer is a good corporate citizen that builds attractive homes for the elderly and employs thousands of Nevadans.

During his three years on the project, Mr. Moon says, he dined several times with his friend Mr. Babbitt. He kept the interior secretary abreast of developments on the Del Webb deal, Mr. Moon says, but didn't ask for his help. He acknowledges that "I might have said, 'I'm working on this land exchange, and your people are being real a—,'" Or, "BLM's got serious troubles"—I might have said that."

Mr. Babbitt's spokesman says the interior secretary never discussed the Del Webb land swap with Mr. Moon, and didn't know Mr. Moon was dropping his name.

Priority List

In January 1996, as the Interior Department's inspector general prepared its audit of Las Vegas-area land exchanges, BLM staffers in Nevada reviewed their procedures for handling applications for

such swaps. Then they put together a list of six to be designated priorities, including Del Webb's. In Washington, Secretary Babbitt reviewed the list. "I believe we have now reached consensus and closure on Nevada land exchanges," he wrote in a approving it. "The overall organization and priority setting . . . looks OK to me."

In the same memo, Mr. Babbitt reiterated his "policy of not being involved in decisions on specific proposals involving Del Webb in Nevada." His spokesman, Mr. Gauldin, contends that approving the priority list didn't amount to an official action on the Del Webb exchange.

Mr. Moon says citing Messrs. Babbitt's and Reid's names ultimately didn't help Del Webb's cause. In fact, he says, his relationship with Mr. Babbitt was a hindrance, prompting suspicious bureaucrats and others to subject the exchange to especially close scrutiny. "No land exchange," Mr. Moon says, "ever jumped through the hoops this one did." With that, the company's Mr. Dion heartily agrees.

But one hurdle was of its own making. When Del Webb first wrote to the BLM proposing a land swap, it had no environmentally sensitive land to offer in exchange. In most successful swaps, developers don't write to the agency until they have options on land the BLM might want, says Larry Sip, a retired BLM employee. "When Del Webb initially came in," he says, "they had no land to offer."

So Mr. Moon says he checked with the BLM about which Nevada lands it might be interested in. One thing it wanted to do was expand central Nevada's Stillwater National Wildlife Refuge. Del Webb began buying ranches near the refuge and looking into other property.

What's It Worth?

Another way this deal was different: The developer insisted on choosing its own appraiser for the federal land it wanted. Del Webb's Mr. Higginson concedes this was unusual but says the appraiser — from Del Webb's home city of Phoenix — knew the Las Vegas market well.

The amount of the appraisal would, of course, establish how much land Del Webb had to supply in return. The Interior Department's inspector general now is investigating the process that led to the initial appraisal, which placed the Las Vegas land's value at just \$9,000 an acre. A second appraisal that was eventually ordered valued it at \$10,900 an acre, while one commissioned by plaintiffs suing to stop the deal put it at \$36,000 an acre.

To some critics, such disparities show an inherent problem with land swaps: the difficulty of valuing raw land. Charles Hancock, a retired BLM employee and critic of the land-exchange process, says appraisers, like expert witnesses, tend to shade their findings in favor of whoever pays their bills. The BLM could get far more for its land by auctioning it, he says, and then could buy any sensitive land it wanted. Mr. Gauldin says the Interior Department isn't opposed to such a process, but in most cases the law won't allow it. Department spokeswoman Stephanie Hanna notes that BLM "land exchanges have become an increasingly important component of the Interior Department's ability to acquire land that needs protection."

In any case, the Del Webb deal soon hit another snag. Churchill County, near the Stillwater refuge, complained that expanding the refuge would endanger the county's drinking-water supply. To address the concern, Mr. Moon was soon shepherding through the office of Churchill County Manager B.J. Selinder an odd cast of characters, Mr. Selinder says. "The first guy looked the part of a rancher — cowboy hat, handlebar moustache, jeans, boots," he says. "Later, he brought in a Harvard professor."

Mr. Moon also did some more name-dropping. "He said he was doing the same job Babbitt used to do for Del Webb before he became interior secretary," Mr. Selinder says. He "intimated that he had a direct line to the secretary." Mr. Moon's account is a little different: He says he had had dinner with Mr. Babbitt not long before meeting Mr. Selinder and merely told the county official that "the Stillwater conservation area is very important to Babbitt."

Second Appraisal

In October 1996, the BLM released a long-awaited notice of decision to grant the Del Webb swap. Five opponents, including Mr. Hancock, the Sierra Club and the Churchill County Commission, filed protests, raising various concerns. Utah Republican Rep. James Hansen, chairman of a key subcommittee, also objected. After two days of meetings in early 1997, BLM officials decided to require a second appraisal of the land near Las Vegas. (The value of the land to be traded for it wasn't a particular issue.) Mr. Moon says he advised Del Webb not to cooperate in getting a second appraisal.

At this point, Del Webb chairman Mr. Dion says, he decided to remove Mr. Moon from the project, fearing that "his tactics didn't reflect well on our company" and that "his style wasn't going to get it done." Mr. Moon's version is that he himself told Del Webb he didn't want to continue with the somewhat bizarre process, that "I didn't want to sign up for another trip to Disneyland."

The second appraisal, commissioned by the BLM, came in at \$10,900 an acre, and the exchange got a second go-ahead at that price. Del Webb will take the parcel in two phases. It is starting work on the first 1,900 acres now.

Mr. Gauldin, Mr. Babbitt's spokesman, sees the end result as a defense of the interior secretary: "If you review it and jack up the price," he says, "it hardly sounds like doing a favor for the person seeking the land."

Mr. Moon says he is through trying to arrange big land swaps with Washington. Leaning back in an Adirondack chair and surveying the dun-colored mountains outside his Prescott home, he says he yearns for a quieter life. "I'm thinking," he says, "of becoming a teacher."

2/2

Kids are getting lost in the tobacco deal shuffle

OUR VIEW The idea was to keep youngsters from smoking. But politicians are too dazzled by the money.

Why did Big Tobacco agree to pay \$368 billion over 25 years to settle state Medicaid suits? And why is it now paying tens of millions to lobbyists to get the pact through Congress? Maybe because the industry feared the evidence that might be found in its own secret files.

This week, some of R.J. Reynolds' documents came out, and they were damning.

Despite RJR's public, sworn denials to the contrary, the maker of Camel, Winston and Salem cigarettes directed marketing efforts at adolescents.

"To ensure increased and longer-term growth for Camel Filter, the brand must increase its share penetration among the 14-24 age group," wrote RJR official J.W. Hind in 1975.

"Evidence is now available to indicate that the 14- to 18-year-old group is an increasing segment of the smoking population. RJR-T (RJR Tobacco) must soon establish a successful new brand in this market if our position in the industry is to be maintained over the long term," said a 1976 memo.

Subsequent memos through the 1980s revealed the company looked at the influence of peer groups on "young adult" choices in smoking, with one chart identifying "younger adult" smokers including 12-year-olds.

The effort led to the comic character Joe Camel, a bereted hipster who became as recognizable to 5-year-olds as Bugs Bunny and helped make Camel a top-three brand among the under-18 crowd.

Such duplicity raises serious doubts about giving the industry immunity from future lawsuits, as the deal proposes. But that's just one reason this deal is starting to look sour. Others are equally damning:

It's a good deal for the industry. Despite the whopping \$368 billion payout to defray the cost to Medicaid for smoking-related illnesses and other programs, the companies would scarcely feel it on their bottom lines.

A study by the Federal Trade Commission found that after tax deductions and other offsets, the total cost to the industry would be only about \$100 billion. And even that is illusory. Provisions granting the companies exemptions from antitrust laws and limits on their liability would allow them to increase profit margins by limiting price competition and cutting costs.

The dealmakers are losing sight of the objective. The bottom line for the states, the Clinton administration, health groups and

Price vs. consumption

Per capita consumption of cigarettes peaked in 1963 at 4,345. A year later, the surgeon general warned of smoking's dangers, and consumption began to slide. In addition to health concerns, social pressure, anti-smoking laws and price all have played a part in the decline. A look at price per pack (in 1996 dollars) and per capita consumption:

1960	\$1.20	3,840
1965	1.52	3,370
1990	1.84	2,828
1996	1.85	2,482

Sources: Tobacco Institute, Economic Research Service, Agriculture Department

Congress should be public health. Yet eagerness to get hold of the money for election-year spending appears increasingly to be driving the process.

The Clinton administration, after negotiating a nearly 50/50 split of the hoped-for proceeds with the states, plans to pay a third of a new \$21 billion child-care plan with money from the deal. Bills in Congress would set aside more to pay off cultural and sports groups that lose tobacco's sponsorship money under the pact. Other bills set aside billions for tobacco farmers and for health research.

The danger is clear: In their eagerness to get their hands on the money, they'll be more willing to settle for a bad deal.

Tobacco has often outwitted its foes. In the 1960s, Congress negotiated an agreement with tobacco companies to put a warning on cigarette packs. The companies then used that as a shield against liability. The industry likewise wheedled its way around TV advertising bans by paying actors to smoke and adeptly placing their billboards in camera lines at sporting events.

This deal has a lulu of a loophole on federal regulation of the addictive nicotine content of cigarettes. The Food and Drug Administration would have to prove the unprovable — that a cutback on nicotine in brands sold here wouldn't create a black market for foreign cigarettes.

The president moved in the right direction last fall by suggesting ways to toughen the pact. Because evidence shows people who don't smoke by 21 aren't likely to start, the key to making the deal work is to stop teens from smoking. So he proposes fining companies up to \$1.50 a pack if teen smoking doesn't drop significantly.

But why give the industry immunity from lawsuits in order to do that? Congress doesn't need tobacco's permission to hike tobacco taxes by \$1 to \$2 a pack, enact extreme fines for any sales to minors, or to regulate nicotine as an addictive product. It needs only to give up its own addiction to tobacco's big political contributions.

Perhaps negotiators can still find a way to toughen the proposed deal. But in the meantime, the tobacco settlement looks more like a bargain for the industry to keep making money — and government to spend it — than a health program to get people, especially kids, to stop smoking.

Market share

Tobacco companies' percentages of U.S. cigarette sales:

Philip Morris	47.8
Reynolds	24.6
Brown & Williamson	17.2
Lorillard	8.4
Liggett	1.9

Source: USA TODAY research

Shame Cuban exiles for snubbing pope

When Pope John Paul II visits Cuba next week, reactions among Catholics and others will range from the sublime to the ridiculous. Contrasts:

- ▶ 989 million Catholics worldwide will pray that the pope's visit will enhance religious and other freedoms in Cuba.
- ▶ Ditto most of the 61 million Catholics in the USA.
- ▶ In Cuba, 4.5 million Catholics will revel and rejoice.
- ▶ But, sadly, most of the 1.1 million Cuban exiles in the USA are being told to snub the pope. That includes 675,000 in Florida.

That silly stance is led by the same handful of Cuban-exile bankers, businessmen and lawyers in Miami who have been dictating our government's crazy and ineffective Cuban policy of isolation and castration for over 30 years.

Their latest shameful shenanigan: Pressuring Miami Archbishop John C. Favalora to cancel a "Pilgrim's Cruise" to Cuba to see the pope. The archdiocese had to refund the price of hundreds of tickets.

Thanks to TV, they and we will get to see this fascinating theological and ideological face-off between two powerful leaders.

I've met both. The pope, who doesn't grant press interviews, gave USA TODAY associates and me a gracious few minutes



Plain Talk

By Al Neuharth
USA TODAY FOUNDER

after seating us front and center at his weekly audience. Castro, who revels in publicity, entertained us for six hours, from 10 p.m. to 4 a.m. Impressions:

- ▶ This pope, 77, has immense intellect and charisma.
- ▶ Castro, 71, is a master of cunning and cajolery.

Next week, the pope surely will renew his call for an end to U.S. sanctions against Cuba. Castro will use the visit for more USA bashing. The world will sympathize or agree with both.

So, they win. We lose. Again. Because politicians from the president on down continue to let exiles who lack both tolerance and temperance call the shots on our Cuban policy.

FEEDBACK

Others views on the USA and Cuba

"Sadly, Mr. Neuharth has completely misunderstood our position regarding the pope's visit. We not only welcome the visit, but we pray that it can bring some measure of hope to our long-suffering brothers and sisters. As for our position on not returning to Cuba for the visit, only when Mr. Neuharth experiences the enslavement of his people by a brutal dictatorship will he ever have any concept of what it means to be a political exile."

— Alberto Hernandez, *chm.*, Cuban-American Nat'l. Foundation

"Our pilgrimage cruise to Cuba was canceled due to the growing tension in the community. Our critics were not opposed to the trip, just our method of transportation. The perception of a luxury liner sailing through the Florida straits where many lives have been lost was a difficult one for the exile community."

— Archbishop John C. Favalora, Archdiocese of Miami

Al Neuharth's column appears on Fridays.

Demand for banned books always booms

Since Oprah won't have me on her show, I'd been racking my brain for the perfect alternative to get attention for my book. Then out of two Maryland county school systems came the perfect answer: Have it banned.

Just about every experienced author knows this little trick. Get the lie out that your book contains depraved material. The zealots will surface. They won't actually read the book, so there's no danger they'll discover you've written a book about turtle habitat or kitchen renovation. And that lack of knowledge won't stop them from lighting a match. Your book will get shoved onto a bonfire, purged from school reading lists and, thanks to the ever-vigilant

First Amendment community, become the subject of intellectual and impassioned debate. For years. You've gotta love it.

Exactly 114 years after Mark Twain's *The Adventures of Huckleberry Finn* was published, parents are still trying to ban it. It holds the record for the most challenged book in American history, according to the American Library Association. Hemingway's *A Farewell to Arms* and Steinbeck's *Of Mice and Men* are regular targets of the book-banning brigade, whose participants rail against sexuality, profanity and other material they find objectionable. Even Amy Tan's lovely *The Joy Luck Club*, a



Commentary

By Allegra Bennett

marvelous story about the fits and starts of Chinese immigrants adjusting to a new world, has been the target of censorship.

In recent weeks, in Maryland's Anne Arundel and St. Mary's counties, the targets were Maya Angelou's autobiographical *I Know Why the Caged Bird Sings* and Toni Morrison's *Song of Solomon*. A handful of parents succeeded in getting the books removed from their children's required-reading list. The Angelou book was deemed too sexually explicit for 14-year-old ninth-graders, and the Morrison book was deemed racially inflammatory.

Parents do have a dilemma. They want to protect the bodies of their progeny from the pestilence of drugs, fatal sexually transmitted disease and violence. But, alas, they cannot shield young, curious minds forever in a world where technology advances at warp speed, delivering perversion and violence right to the family room on a choice of 200 channels and the World Wide Web.

Children will always have a fascination for the forbidden. Parental objection will only pique their curiosity. The obligation then falls on parents more than ever to guide the intellectual development of their offspring, not by censorship but by making the way they live their lives the strongest counterpoint to whatever perceived perversion appears between the covers of some literary or not-so-literary work.

As for us authors who crave attention, we have too high a regard for unintended consequences to intentionally bring notoriety to our work. Still, I'd better get busy on my second manuscript and figure out how to make a home-repair book appear sexually explicit.

Allegra Bennett is author of a home-repair book, *Renovating Woman: A Guide to Home Repair, Maintenance and Real Men*.

Aflac Pays Fine For Contributions To Espy's Brother

By BRUCE INGERSOLL

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—Aflac Inc.'s insurance subsidiary paid an \$80,000 civil penalty in connection with campaign contributions to the brother of former Agriculture Secretary Mike Espy.

American Family Life Assurance Co. admitted, in a conciliation agreement with the Federal Election Commission, that it violated election-law prohibitions against the reimbursement of corporate employees and others for political contributions.

Independent Counsel Donald Smaltz uncovered the four \$1,000 contributions to Henry Espy's failed 1993 congressional campaign while investigating allegations that Mike Espy, as a Clinton cabinet member, accepted gratuities from companies with business pending at the Agriculture Department. After the Aflac unit promised to pay the penalty, Mr. Smaltz turned the matter over to the FEC.

"We have never had an incident of this nature before and we are committed to being in full compliance with all [campaign-contribution] rules," said Joey M. Loudermilk, general counsel of the Columbus, Ga., insurer.

Mike Espy, a former Mississippi congressman, is scheduled to stand trial March 30 on criminal charges of accepting \$35,000 in corporate gifts and favors before he stepped down as secretary at the end of 1994. He has denied any wrongdoing, as has his brother, who was acquitted last year of conspiracy in connection with an illegal \$20,000 contribution.

Yesterday, Henry Espy, former mayor of Clarksdale, Miss., couldn't be reached for comment.

Henry Espy ran up a substantial campaign debt in his losing bid to fill his brother's vacant House seat. Helping him retire the debt was Alvarez T. Ferrouillet Jr., a New Orleans attorney and insurance broker who dealt with Aflac. In June 1994, Mr. Ferrouillet introduced Henry Espy to Aflac's senior management at

the company's Columbus headquarters. Aflac spokeswoman Kathelen Spencer said yesterday. At that meeting, Mr. Espy asked them for contributions to help retire his debts, she said. Soon thereafter, Aflac's political action committee gave him \$5,000 and five executives chipped in with \$1,000 each, she said.

At the time, Henry Espy was chairman of the National Conference of Black Mayors, and Aflac was using its relationship with the group to develop business contacts, Ms. Spencer said. City and municipal employees are one of Aflac's biggest markets.

Aflac got into trouble, Mr. Smaltz said, when an American Family Life vice president asked two independent agents and their wives to contribute \$1,000 each to Henry Espy. The vice president then authorized the issuance of Aflac checks to reimburse them for the gifts.

"This action was taken on his own, without the knowledge of company management and in violation of company policy," said Ms. Spencer. The four contributors have since returned the money to the company.

Henry Espy's debt-retirement effort resulted in several convictions over the past two years for illegal corporate contributions and money laundering.

FDA Approves Extra-Strength Excedrin As Over-the-Counter Migraine Medicine

By BRUCE INGERSOLL

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—The Food and Drug Administration approved extra-strength Excedrin as the first over-the-counter medicine for migraines.

The extra-strength version of the 20-year-old painkiller is potent enough to treat mild to moderate migraines, FDA officials concluded. The approval gives drug maker Bristol-Myers Squibb Co. a competitive advantage in the nation's \$4 billion pain reliever market, pharmaceutical-industry analysts said.

As many as 18 million Americans suffer from painful migraine headaches that can last 24 hours or longer and often are accompanied by extreme sensitivity to light and sound. Many of those people cannot afford prescription drugs or a visit to the doctor to get a prescription.

Pharmaceutical analysts anticipate big demand when Bristol-Myers repackages the medicine under the brand name Excedrin Migraine within a few weeks, without changing the retail price. Currently, extra-strength Excedrin averages \$7.51 for 100 tablets.

"The analgesic market is very, very huge," said Hemant Shah, a Warren, N.J., analyst. "Migraine sufferers use all kinds of [over-the-counter] pain relievers; unfortunately, most don't work. This gives Excedrin an added edge in a highly competitive market." He and other analysts expect Excedrin Migraine to make big inroads

in the over-the-counter sector, which includes millions of people who don't have medical insurance or don't want to see a doctor. But they don't expect many patients now taking prescription drugs to switch.

Three studies involving more than 1,200 patients showed extra-strength Excedrin alleviated migraine pain within a few hours, the FDA said. Within two hours, 59% of the patients said their pain was gone or greatly reduced, and within six hours, 79% reported little or no pain.

The recommended dose is two tablets at the first sign of a migraine, repeated every six hours as needed. Each tablet contains 250 milligrams of acetaminophen, 250 mg of aspirin and 65 mg of caffeine, which helps constrict blood vessels that are a source of migraine pain.

Excedrin Migraine isn't recommended for children under age 12 because aspirin can be dangerous for youngsters. Under certain circumstances, the FDA said, doctors may recommend limited use.

The FDA required Bristol-Myers, Hillside, N.J., to put several label instructions and warnings on Excedrin Migraine packaging. Before taking it, patients should consult their doctor when their headache is accompanied by vomiting, when the pain is so severe they have to go to bed or when the symptoms persist or worsen.

Excedrin Migraine and a prescription migraine drug shouldn't be taken together without a doctor's approval, the FDA said.

THE WALL STREET JOURNAL
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New Smoking Study Likely to Have Broad Impact

By ROBERT LANEY

Staff Reporter of THE WALL STREET JOURNAL

Surprising new findings on the long-term dangers of past cigarette-smoke exposure will likely alarm many of the 14 million Americans who quit the habit in the hope of improving future health.

A giant new study published in the *Journal of the American Medical Association (JAMA)* yesterday found that even decades after people quit smoking they have a 25% higher amount of artery damage than people who never smoked.

The new research is expected to have a powerful effect on policy debates and future tobacco litigation because it is also the first major study to show a direct biological link between second-hand smoke and artery damage. This result is expected to spur efforts to ban smoking in all public places, and may ignite a whole new wave of liability lawsuits from people who were exposed to second-hand smoke through no choice of their own.

"This is a big-impact study," said Richard Daynard, a law professor at Northeastern University and head of the Tobacco Products Liability Project. "Now you have hard biological evidence that exposure to tobacco smoke irreversibly damages arteries. The study likely spells the end of smoking in shared public places in the United States. Some states, including California, have already banned

most public smoking, and other states will be hard-pressed not to follow, in light of the new evidence," he predicted.

The research is certain to arm anti-smoking activists and public health officials with new ammunition to further restrict smoking. It is especially troubling news for former smokers and those exposed to second-hand smoke, because there is little they can do to reverse damage they may have sustained decades ago. Although it is possible for former smokers to undergo expensive diagnostic tests to identify artery damage, there is no therapy short of extremely restrictive diets that can consistently reverse clogged arteries. Clogging or hardening of the arteries leads to heart attacks and strokes and is the single leading cause of death in America.

As a result, researchers who performed the new study at Wake Forest University emphasized the need to prevent teens and other young people from smoking at all because even a few years of cigarette smoke exposure may cause permanent damage to arteries that carry blood away from the heart.

Although scientists long ago realized that smoking can vastly increase the risk of heart disease and lung cancer, this is the first large study to directly measure smoking's long-term impact on hardening of the arteries. Researchers emphasize that the

new study should not be interpreted as an argument against quitting, as the artery damage from smoking is cumulative and only gets worse the longer one smokes.

What can former smokers or those exposed to second-hand smoke in the past do to reduce their risk of disease? Health experts say that while the damage cannot be easily reversed, the new findings should alert ex-smokers and those exposed to the smoke from others to the fact that they are at higher risk for heart disease and stroke. Consequently, they should pay extra attention to eating a healthy diet, exercising, and keeping their cholesterol and blood pressure levels down. Heart specialists also suggest that those exposed to smoke should inform their doctors so their higher risk can be monitored.

In the study, the researchers followed 10,914 middle-aged men and women who were either current smokers, former smokers, non-smokers regularly exposed to second-hand smoke, or non-smokers not regularly exposed to second-hand smoke. At the beginning of the study, the researchers measured the thickness of the walls of a major artery in the neck where hardening often occurs; they performed another measurement three years later.

The researchers were not surprised to

find that in current smokers arteries thickened 50% faster over a three-year period than they did in people who had never smoked. More surprising was that the arteries of former smokers also hardened some 25% faster over the three years than non-smokers—indicating the damaging effects to arteries can linger for decades. Finally, arteries of non-smokers exposed to environmental tobacco smoke thickened 20% faster than non-smokers with no second-hand exposure.

Previous research had found that heart disease among current smokers is two to four times greater than heart disease among those who never smoked and that among those who quit, the risk drops to one that is 20% higher than the risk among those who'd never smoked. The new study explains that this lingering effect is due to permanent and visible damage to the arteries.

The study hints that a significant portion of the 50% of all cases of heart disease whose cause is now classified as "unknown" may actually be caused by second-hand smoke exposure, said Thomas Pearson, a preventive cardiologist at the University of Rochester who wrote an editorial in *JAMA* commenting on the Wake Forest study. "If the current numbers hold, environmental tobacco smoke may be the third leading cause of death in the United States," he said in an interview.

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THURSDAY, JANUARY 15, 1998



► **Survey details, 1,4B**

Papers: RJR did court teens

Critics say tobacco firm lied about marketing aim

By Doug Levy
and Melanie Wells
USA TODAY

AI

Newly released documents showing how top executives of R.J. Reynolds Tobacco Co. wanted to attract teen customers incited a new call Wednesday for perjury charges against cigarette executives.

The documents, released Wednesday under terms to settle a California lawsuit, include a 1974 report to RJR's board of directors raising concerns that the company's brands were losing ground in the 14- to 24-year-old category.

The report said the company's plans to boost NASCAR sponsorship, increase inner city activities and distribute T-shirts and other paraphernalia all were aimed at boosting sales to young adults.

"They targeted kids as young as 14 and developed a strategy to get them to smoke," says Rep. Henry Waxman, D-Calif., the staunchest tobacco critic in Congress. "I am going to be asking (Attorney General) Janet Reno (to investigate) the possibility of perjury by the CEO of RJR."

In 1994, then-CEO James Johnston testified before Congress that the company does not market to children and does no surveys of people under 18. However, the documents include 1970s marketing reports on 14-17 year olds.

David Kessler, former head of the Food and Drug Administration, told Reuters the documents "are a smoking gun" and show why Congress should not grant the industry legal immunity in a proposed settlement.

The documents could bolster the Federal Trade Commission's case against RJR. The FTC says RJR illegally targeted underage smokers through Joe Camel advertising that began in 1987. RJR began phasing out the cartoon character in 1997.

"These types of documents emphasize and underscore our case," says Jodie Bernstein, director of the FTC's bureau of consumer protection.

Bernstein would not say if the FTC has the RJR documents released Wednesday.

R.J. Reynolds issued a statement that said "questions raised by these selected few (documents) would be largely answered" if the public could view hundreds of other pages of related papers the company turned over to investigators.

► Reynolds' documents, 1B

Cabinet member faces investigation

By Edward T. Pound
USA TODAY

AI

WASHINGTON — The Justice Department is investigating Labor Secretary Alexis Herman's ties to a former business associate, an inquiry that law enforcement officials say could lead to the appointment of an independent counsel.

Justice Department lawyers and FBI agents are reviewing whether Herman, while serving in her previous job as a top presidential aide, improperly assisted Vanessa Weaver, a former business associate.

USA TODAY last year described how Herman gave Weaver and some of her clients extraordinary access to the White House. A former Weaver business partner, Laurent Yene, who fell out with her, alleged then that Herman had allowed Weaver to use the White House to showcase her connections.

The federal inquiry was prompted by allegations made to authorities by Yene, who said Wednesday he had been questioned in recent months.

Yene maintains Herman was supposed to benefit from Weaver's private dealings, a charge denied by lawyers for both Herman and Weaver.

Investigators also are exploring whether Herman and Weaver were involved in a scheme to illegally funnel campaign money to Democratic Party organizations in 1996.

Officials describe the review as a preliminary investigation under the independent counsel law. The Justice Department faces a deadline next month to resolve the issue, seek a 60-day extension or ask a special federal court to name an independent counsel.

Herman's Washington lawyer said she had not been contacted by investigators. "If she is," said Neil Eggleston, "we will provide whatever information they need to put this matter to rest."

Weaver's lawyer, E. Lawrence Barcella, says he is confident investigators will find no basis for seeking an independent counsel.

► Herman and Weaver, 2A

Indonesia signs IMF deal to jump-start economy

More than a third of the exports surveyed Jan. 9-13 say the biggest threat to the U.S. economy is the Asia crisis. Asian stock and currency markets have stabilized in recent days on hopes Indonesia and the IMF could salvage the rescue plan.

► Survey details, 1,4B

no action on rates this year. That's good news for borrowers and a dramatic change from just two months ago, when three out of four economists predicted the Fed's next move would be to raise rates. "There's virtually no likelihood the Fed will raise interest rates," says Irwin Kellner at Kellner Economic Advisers.

dial crisis will slow the U.S. economy enough to keep the Federal Reserve from raising interest rates this year. In fact, more than a third of 55 economists responding to USA TODAY's quarterly economic survey believe the Fed's next move will be to lower short-term interest rates. Another 26% say the Fed will take

ly announced on what the reforms might entail. But IMF Managing Director Michel Camdessus said Wednesday that there would be a "dramatic" acceleration on reforms previously agreed to in October in exchange for a \$43 billion bail-out package. Meanwhile, a majority of top economists say the Asian finan-

By Rich Miller
and Beth Belton
USA TODAY

AI

Indonesian President Suharto and the head of the International Monetary Fund signed an agreement today to strengthen that country's economic reforms. No details were immediate-