

From: Paszkowski, Beverly L.
To: Barbara Goho; Carole Crosslin; Charles Blixt;
Christopher Garland; Dan Donahue; David Howard; Davis,
Randy; Derek Wooley; Dianne Neal; Duchesne, Steve; Ellen
Merritt; Emogene Vestal; Gates, Bruce; Glenda Evans; Hyde,
Tim; Jan Fulton Smith; Jensen, Paul; Jettie Turner; John
Singleton; Kaye Hobson; Leshner, Bill; McDara III Folan;
Osmon, Greg; Sam Witt; Sara Silbiger; Seth Moskowitz;
Sheryl Spainhour; Smith, G. Wayne; Spulak, Tom; Stacy
Darnall; Tommy Payne; Weinberg, Robin; Williams, Sheree
CC:

BCC:

Subject: 011900ma.max

Primary Date: 1/19/2000 10:14:28 AM

Last Modified Date: 2000-Jan-19 10:14:28

Last Touched Date:

Sent Date: 2000-Jan-19 10:14:25

Received DateDate: 2000-Jan-19 10:14:28

.....
Attachments:

011900ma.max
.....

53129 4513

DAILY CLIP REPORT

AUTHOR	PUBLICATION	TITLE	DATE
	CBS	Tobacco's Other Secret	1/19/00
	Winston-Salem Journal	Ex-executive: RJR aware of scheme	1/19/00
	Washington Post	Findings...Tar, nicotine numbers on packs belie reality	1/19/00
	PR Newswire	Dr. Jeffrey Wigand and the American Cancer Society implore Calif. Voters to keep 50-cent tobacco tax	1/19/00
Associated Press	Winston-Salem Journal	Cut in tobacco quotas closing warehouses	1/19/00
	PR Newswire	Mississippi takes anti-tobacco advocacy to the pulpit; state invests anti-tobacco funding in ...	1/19/00
Cathleen Egan	Dow Jones Newswires	US tobacco firms likely to post mixed results	1/19/00
Tom Cohen	Associated Press	Canada issues graphic smoke warning	1/19/00

Wednesday, January 19, 2000

Page 1 of 1

53129 4514

Tobacco's Other Secret

Convicted Exec Says R.J. Reynolds Made \$100 Million By Smuggling Cigarettes From U.S. Into Canada

Les Thompson will begin his prison sentence in February.

Tuesday, January 18, 2000 - 10:02 PM ET

Broadcast story produced by David Schneider; Copyright 2000, CBS Worldwide Inc., All Rights Reserved

(CBS) Once Les Thompson was a record-breaking sales executive for R.J. Reynolds Tobacco Co. He had a million-dollar expense account.

Now, however, Thompson is facing a six-year prison term. He says he is the fall guy in a smuggling scheme that netted R.J. Reynolds more than \$100 million. **60 Minutes II** Correspondent **Scott Pelley** investigates.

In 1993, Thompson moved to R.J. Reynolds' headquarters, to direct a newly created subsidiary called Northern Brands International. Thompson says Reynolds set up Northern Brands International for only one reason: to smuggle cigarettes.

"RJR makes a conscious decision to enter the illegal cross border business," Thompson says. There is **"no question,"** Thompson says, that this was a corporate decision.

The Northern Brands subsidiary was the answer to a crisis R.J. Reynolds was facing in Canada. In 1991, the Canadian government increased taxes on cigarettes, nearly doubling the price of a pack. The government's idea was to cut smoking, especially among teenagers. The plan worked: Sales plummeted.

So what did the company do? **"Really the options were limited,"** Thompson says. **"The no-brainer in the equation becomes: We have to enter the black market. We have to enter the black market. We've got to pursue this tax-free environment through the illegal smuggling efforts back into Canada."**

If the cigarettes were smuggled, Canada couldn't tax them. The cost of a pack would fall by half, and sales would soar.

Thompson, who worked for R.J. Reynolds for 20 years, says the smuggling was set up like this: Canadian cigarettes were shipped to the United States and then onto an Indian reservation in upstate New York. The reservation straddles the border.

R.J. Reynolds' cigarettes, called **"Export-A's,"** were loaded onto boats and carried to the Canadian side of the reservation. The smugglers claimed that because they never left the reservation, the cigarettes were legal. But Thompson says that it important to understand that the reservation was receiving 5 billion cigarettes a year.

The pretense was the cigarettes were legal because the smugglers claimed they never left the reservation.

53129 4515

But Thompson says you have to understand the reservation was receiving 5 billion cigarettes a year. **"It's a little difficult to digest,"** Thompson says. **"The numbers state that there are approximately 2,800 Native Americans that live on the reservation."**

That means each man, woman and child on the reservation would have to smoke nearly 5,000 cigarettes a day. In fact, Thompson says, the cigarettes were distributed throughout Canada. He claims that, at one point, 60 percent of R.J. Reynolds' Canadian business was from smuggled cigarettes.

According to Thompson, in 1993, Northern Brands averaged \$1.3 million a week in profits.

"We were considered the most - single-most - profitable business unit in the RJR Nabisco family of companies," Thompson says.

Did anyone at the company ever ask questions about how he had done so well? **"They didn't want to know; they didn't want to talk about it,"** Thompson says. **"They knew exactly where the money was coming from. They knew the answers, why ask them? They knew the answers."**

Thompson says his worries about the business were eased by R.J. Reynolds executives in Canada. **"A lawyer on the company's board tells me in a meeting in my vice president's office that 'This is a legal business. It's a loophole. Nobody likes it but we've got to be there.'"**

Asked if he knew that the enterprise was not legal, Thompson says, **"(It was) certainly sensitive. (I'm) obviously going to be labeled less than astute in this area."**

He says that when he was reassigned to North Carolina, the legal issues came up again, with lawyers at headquarters.

Says Thompson: **"On an average of approximately every other Monday, an in-house lawyer from upstairs would come down and talk to us about our operation or how our earnings were doing. But (that) left you with some feeling that, 'Yeah, it's sensitive, but we're here. We're all in this together. And it's - it's a loophole. It's gray. It's legal, OK?'"**

Thompson says the scheme began at R.J. Reynolds' Canadian subsidiary called RJR-MacDonald. He remembers executives there were taking pains to leave no trace of the company's involvement.

"We were told to keep no paperwork in this business," Thompson says.

According to Thompson, the man who told him not keep any paperwork was his vice president of sales at RJR-MacDonald. **"He insisted... 'You're not keeping any documents are you?'"** Thompson says. **"He reminded me on many occasions not to keep any hard copy on any correspondence with their offices."**

"From middle management and on up and below, people knew exactly what was going on," Thompson says.

"If the tobacco industry wants smuggling to happen, it happens," says Greg Connolly, director of the Massachusetts Tobacco Control Program.

53129 4516

Connolly testified to Congress that several tobacco companies have been investigated in foreign countries for helping smugglers.

"This is not an exception to the rule," he says. "If you look at different companies from different parts of the world, you see the same thing happening. This is the first time when someone's come forth and spilled the beans and pointed the finger where the finger should be pointed."

Where should it be pointed? **"Directly at management,"** he says.

Thompson says RJR's Canadian management followed his business closely. He says a senior executive called him the Indian trader. He also remembers a financial officer once joked that Thompson must not be doing his job because RJR cigarettes weren't turning up in custom's seizures.

But if they were laughing in the hallways at RJR-MacDonald, Thompson says, they were also watching their backs.

"I had a call from my executive, my vice president - who went on to become the CEO of the company - called me in one day and he said, 'We're going to have some people come in and we want them to monitor your office communications, your telephone and your computers,'" Thompson remembers.

"They checked our phones and computers for listening devices that may have been installed by the government. Within a few days they scheduled a visit to our homes to do the same sort of surveillance over our home phones as well as computers," he adds.

Thompson claims that other phones were also checked. He says that in RJR's Canadian offices, phones of the chief financial officer, the chief operating officer and the controller were also checked for bugs.

"To say you work for the industry and you were not aware of what was going on is just clearly, clearly willful blindness," Thompson says. **"You couldn't possibly do that under oath. It wouldn't be possible. Myself included."**

By 1994 federal investigators were aware of the smuggling operation. They zeroed in on distributors who were moving RJR's cigarettes over the border. Two brothers, Bob and Lewis Tavano, and another man, Larry Miller, were all convicted of money laundering in connection with the smuggling scheme.

The Tavanos and Miller got RJR's cigarettes onto the reservation. Miller was a Las Vegas slot-machine salesman who owned a piece of a casino. Lewis Tavano was a bookie who, police say, had links to organized crime. Bob Tavano had been convicted of bribery.

Thompson says that people at RJR introduced him to the three men. **"Larry Miller, Bob Tavano and Lewis Tavano - those are the people that I was introduced to on behalf of the company by our executive,"** he says.

"If you take the company's position on Les Thompson," he says. **"Les Thompson invented the business. It started with Les Thompson, and it ended with Les Thompson."**

53129 4517

"Nothing could be further from the truth," he continues. "The company knows where they made the \$100 million. They know the customers that produced the \$100 million during this time frame. That money is in RJR Nabisco's coffers, not in my bank account."

In 1998 R.J. Reynolds' subsidiary, Northern Brands, paid \$15 million in fines and penalties and admitted that it lied to U.S. Customs about why it was shipping Canadian cigarettes into the United States. But it never acknowledged smuggling the cigarettes back into Canada.

Thompson says that RJR made \$100 million from the business. **"It's a very profitable operation,"** he says. **"But, you know, the downside is I'm going to prison for sponsoring the company's efforts in that market."**

When the FBI began closing in, Thompson says RJR put him under wraps. They assigned him a do-nothing job and moved him to Florida.

"During the next 20 some odd months, roughly 21 months, company lawyers indicated to me that 'Stand tall, we're all on the ship together. We'll get through this, the government is saber rattling.'" he says.

"Had I known how serious the consequences of my performance were going to be in regards to where I'm at today, I would have been at the prosecutor's door Monday morning June 1997," he says.

Last year, Thompson was arrested in connection with the smuggling scheme. He pleaded guilty to money laundering charges.

"I've been charged with money laundering \$72 million," he says. **"I don't have \$72 million. I'm going to be paying a \$100,000 fine very shortly at my sentencing. I am cashing in my pension in the United States to pay that fine. R.J. Reynolds has that money. I do not have that money."**

R.J. Reynolds Tobacco declined to talk on camera to **CBS News**. In a statement, a spokesman says that neither R.J. Reynolds Tobacco nor the parent company have been implicated in any criminal investigation. Last year RJR sold its Canadian operations to a Japanese tobacco company.

Thompson claims that RJR says that he is to blame. **"I'm a rogue player,"** Thompson says, characterizing its portrayal. **"Started and stopped with Les. He's a bad guy. He was out of control. Nothing could be further from the truth."**

Connolly says tobacco's big secret is that companies profit from smuggling even when not directly engaged in the smuggling itself.

"One third of U.S. cigarettes are never accounted for," he says. **"If they were accounted for, and they had to pay taxes, a lot of those cigarettes wouldn't be sold. The tobacco industry would lose revenue and lose money. If one-third of U.S. computers were never accounted for, it would be a scandal. IBM would be outraged. When it comes to the tobacco industry, it's business as usual."**

53129 4518

Thompson will begin his prison term in February. **"I was convinced by the lawyers inside the company and outside the company, it's gray, it's a loophole, it's been here for years and it's going to be here long after,"** he says. **"It hasn't stopped because Les Thompson is going to the gallows."**

He is now cooperating with criminal investigations that are ongoing in the United States and Canada. Thompson is also the key witness in a civil suit that Canada has just filed against RJR demanding \$1 billion in damages.

Money is not the only thing that Canada lost in the smuggling scheme. Ultimately the smuggling became so rampant that it broke the back of Canada's anti-smoking strategy. And the government cut the cigarette tax just to stop the smugglers. Smoking among teenagers is once again rising.

JournalNow
HOMEMARY GUNCA
METRO
NORTH CAROLINA
OBITUARIES
SPECIAL REPORTS
VIRGINIA LOTTERY
WEATHER
THE YEAR 2000

E-MAIL ARCHIVE



Send an e-mail to
your representative
or start a petition at
JournalNow's
interactive town
hall: [E-The People](#).

speak OUT

Visit our [message
boards](#) and discuss
Current Events.

NC News

AIRE | ASK SAM | BUSINESS | CLASSIFIEDS | CYBERGUIDE | HOME | LIVING | NEWS
OPINION | SEARCH | SPEAK OUT | SPORTS | THE WIRE | TV LISTINGS | WEATHER

Regional Briefs

Ex-executive: RJR aware of scheme

JOURNAL STAFF AND WIRE REPORT

A former Winston-Salem tobacco executive on the CBS television show *60 Minutes II* last night said that R.J. Reynolds tobacco officials knew about a plan to smuggle cigarettes into Canada to avoid paying stiff Canadian taxes.

Les Thompson was sentenced in December to six years in federal prison for defrauding the Canadian government out of \$72 million in taxes. Thompson worked for Northern Brands International, a now-defunct company that Canadian officials say was set up in Winston-Salem to distance RJR's Canadian subsidiary from the smuggling operation.

The Canadian government also alleges that R.J. Reynolds officials knew about the scheme and ran the operation out of Winston-Salem. The Canadian government is suing R.J. Reynolds Tobacco Holding, formerly known as RJR Nabisco; R.J. Reynolds Tobacco Co., the U.S. cigarette-making unit; R.J. Reynolds Tobacco International Inc., a subsidiary sold in 1999 to Japan Tobacco Inc.; RJR-Macdonald Inc., a subsidiary in Canada also sold to Japan Tobacco; and other affiliates.

A spokesman for R.J. Reynolds Tobacco Co. and its holding company, R.J. Reynolds Tobacco Holdings Inc., said in a statement that neither company has been implicated in current investigations by Canadian and U.S. officials. The spokesman said that the criminal investigation concerns only the former subsidiaries.

• Have a story idea? Send it to
news@journalnow.com

Published: January 19, 2000

<http://www.journalnow.com/news/local/local/northcarolina/staloc19s.htm>

1/19/00

RJR0000001539067144
70049 4847

Source: <https://www.industrydocuments.ucsf.edu/docs/fydj0011>

53129 4520

FINDINGS

Partner Sites:

• [Newsweek.com](#)

• [Britannica Internet Guide](#)

Related Items

[Print Edition](#)

[Inside "A" Section](#)

[Business](#)

[Front Page Articles](#)

[On Our Site](#)

[Top News/Breaking](#)

[News](#)

[Neighborhoods](#)

[Community](#)

[Resources](#)

Compiled from reports by the Associated Press and Reuters
Wednesday, January 19, 2000; Page A08

Tar, Nicotine Numbers On Packs Belie Reality

Smokers of cigarettes supposedly low in tar and nicotine may actually inhale twice as much of those dangerous chemicals as numbers on the packs indicate, says a new study that renews concern about government cigarette testing.

The Federal Trade Commission already warns smokers to be skeptical of the tar and nicotine measurements that tobacco companies derive using a machine-testing method the FTC created 30 years ago.

Researchers in the mid-1990s reported that smokers were inhaling more tar and nicotine than the FTC machine measures, because smokers take more puffs, puff longer and deeper, and cover air vents that are supposed to filter some chemicals from cigarette smoke.

The FTC has been unable to come up with a new, better testing method. The tobacco industry has long contended that every smoker smokes differently anyway.

The latest study, reported in today's issue of the Journal of the National Cancer Institute, analyzed the volume of smoke inhaled by 133 smokers puffing their usual brands of low-nicotine or medium-nicotine cigarettes. Researchers at the American Health Foundation in Valhalla, N.Y., concluded that smokers of low-nicotine cigarettes inhaled 2.5 times more nicotine and 2.6 times more tar than FTC testing indicated they should have. For medium-nicotine cigarettes, smokers inhaled 2.2 times more nicotine and 1.9 times more tar.

A Mixed Report on Women and Smoking

The percentage of American women who said they smoked declined from 1987 to 1996, with more pregnant women also abstaining from cigarettes or at least cutting down, a study released yesterday said.

But in a sign that smoking may not be in full retreat as a public health problem, the proportion of younger women who said they had smoked at least 100 cigarettes in their lives increased slightly during the study period.

The Centers for Disease Control and Prevention in Atlanta reported that 24 percent of women responding to a telephone survey said they smoked in 1996, down from 27 percent in 1987.

Among pregnant women, 12 percent said they smoked in 1996, down from 16 percent in 1987. In addition, the number of cigarettes smoked per day by pregnant women declined to an average of 15 in 1996 from 19 in 1987.

In each year of the study, pregnant women were about half as likely to report being current smokers as non-pregnant women, said the report published in

today's Journal of the American Medical Association.

Among women aged 18 to 20, the study found that 27 percent said in 1996 they had smoked at least 100 cigarettes in their lives, up from 26 percent in 1987. Among all participants, 38 percent said in 1996 that they had smoked at least 100 cigarettes, down from 44 percent in 1987.

Researchers analyzed the responses of 167,302 women aged 18 to 44. Among those, 8,803 said they were pregnant.

© Copyright 2000 The Associated Press

washingtonpost	NEWS	STYLE	SPORTS	CLASSIFIEDS	MARKETPLACE				
PRINT EDITION	POP NEWS	WORLD	NATION	POLITICS	METRO	BUSINESS & TECH	HEALTH	OPINION	WEATHER

Yellow Pages

53129 4522

Like Blue chips?



CLICK HERE

[\[Business \]](#) [\[US Market \]](#) [\[By Industry \]](#) [\[IPO \]](#) [\[AP \]](#) [\[S&P \]](#) [\[International \]](#) [\[PRNews \]](#) [\[BizWire \]](#) [\[CCN \]](#)

Tuesday January 18, 1:37 pm Eastern Time

Company Press Release

SOURCE: American Cancer Society

Dr. Jeffrey Wigand and the American Cancer Society Implore Calif. Voters To Keep 50-Cent Tobacco Tax

Related Quotes

^DJI	11560.72	+0.00
^XIC	4130.51	+0.00
^SPC	1455.14	+0.00
^NIX	563.97	+0.00
^PSE	984.37	+0.00

delayed 20 mins - disclaimer

Get Quotes

LOS ANGELES, Jan. 18 /PRNewswire/ -- Jeffrey Wigand, a former research director for Brown & Williamson Tobacco Corp. and the subject of the new Touchstone Pictures film, "The Insider," will endorse the Stop Big Tobacco -- No on Prop 28 campaign during a news conference with the American Cancer Society at Los Angeles Children's Hospital, Wednesday January 19th.

The former executive and scientist for America's third-largest tobacco company accused his former bosses of a variety of abuses including criminal perjury and destruction of evidence, quashing research on safe cigarettes, reckless use of harmful additives and export control violations. The story of his whistle-blowing and subsequent character assassination is the topic of the critically-acclaimed movie, "The Insider" released November 5th.

The 9:45 a.m. press conference, on January 19th, will be in the hospital's Santa Anita Lecture Hall, 4650 Sunset Boulevard.

Wigand, who was a central witness in the U.S. government's lawsuit against the tobacco industry which eventually led to the \$206 billion federal tobacco settlement, will share his perspective on Big Tobacco during his endorsement of the No on 28 campaign. The Stop Big Tobacco, No on 28 campaign is being organized by a statewide grass-roots coalition effort led by the American Cancer Society, the American Lung Association and the American Heart Association.

Proposition 28 is a March 7th ballot initiative that, if passed, would repeal the new voter-approved 50-cent tobacco tax. The proposition, placed on the ballot by the owner of the 500-chain Cigarettes Cheaper stores, is designed to increase tobacco sales and promote smoking in California. In addition, Proposition 28 would strip California citizens of any future right to raise tobacco taxes by voter initiative.

Tobacco sales in California declined by 30 percent during the first six months after the tax's enactment. Revenue generated by the tax, some \$670 million so far, is solely dedicated to children and family development social programs around the state.

Representatives of the California offices of the American Cancer Society, American Lung Association and the American Heart Association will join Wigand in urging voters to vote No on 28. The Los Angeles press conference is part of a statewide kickoff of Stop Big Tobacco campaign events in more than 10 California regions. For more information about the campaign or Wigand's appearance please contact Alonza Robertson at 510-893-7900 ext.223 or 510-710-7469.

SOURCE: American Cancer Society

Related News Categories: [health care](#), [tobacco](#)

Search News

Help

53129 4523

JournalNow
HOME

NC News

A&E : ASK SAM : BUSINESS : CLASSIFIEDS : CYBERGUIDE : HOME : LIVING : NEWS
CRIMINAL : SEARCH : SPEAK OUT : SPORTS : THE WIRE : TV LISTINGS : WEATHERMARY GUNCA
METRO
NORTH CAROLINA
OBITUARIES
SPECIAL REPORTS
VIRGINIA LOTTERY
WEATHER
THE YEAR 2000

14-DAY ARCHIVES



Send an e-mail to
your representative
or start a petition at
JournalNow's
interactive town
hall: E-The People.

speak **OUT**

Visit our message
boards and discuss
Current Events.

Cut in tobacco quotas closing warehouses

• Small towns where tobacco was king
are losing heritage

THE ASSOCIATED PRESS

WENDELL

And then there was one.

With the Banner Tobacco Warehouse closing, there's just one warehouse in this small eastern Wake County town where years ago there were more than 10. And stockholders at that one, Liberty Warehouse, will decide this week whether to close.

A third consecutive cut in tobacco quotas, announced by the federal government in December, sounded the death knell for Banner, where tobacco has changed hands for more than 50 years, its owner Jerry Pace said last week.

"I hated to close, but times are like they are," Pace said. "We just couldn't survive."

If Liberty closes, the Wendell tobacco market will disappear just like so many others before it — Durham, Dunn and Sanford, to name a few.

"We're losing one of the last pieces of our farming heritage," said Ira Fuller, 57, Wendell's town manager. "I've been here all my life, and there's always been a tobacco warehouse."

Once, the opening of the tobacco market in late summer was an event that filled the streets with people.

Inside the warehouses, farmers displayed their tobacco for cigarette companies to buy, hoping to bring home the money that would support their families through the year. Outside, vendors lined the streets, stores stayed open late and families came out to be part of the festivities.

But in the past three years, the federal quota, which dictates how much tobacco American farmers can grow, has been cut nearly in half. American farmers, who sold more than 1 billion pounds of tobacco in 1997, will sell 543 million pounds this year.

Warehouse owners, who receive a 2.5 percent commission on every pound of tobacco sold from their floor, are suffering just like farmers.

And with this year's 18.5 percent quota cut just announced, it is still unknown how many will close before next year's harvest, said Malcolm Dunkley, the managing director of the Bright Belt Warehouse association, which represents warehouses in the Carolinas, Virginia, Georgia and Florida.

"The warehouse business is really getting dangerous," said Bobby Thomas, one of three remaining warehouse owners in Fuquay-Varina. "But I'm in a situation where that's all I've ever done. I'm 61 years old, and I'll try to keep it going another couple years."

Thomas' warehouse will sell only about 3.5 million pounds this year. Once that number goes below 3 million, he said, there won't be enough money to open the doors.

In Wendell, times are even tougher. Both the Banner and the Liberty sold only about 1 million pounds last year. And that was before this year's cuts.

"Farmers bring less so we sell less," Pace said. "It just got down to where it's not profitable."

Published: January 19, 2000

[Submit a letter to the editor](#)

[JournalNow Home Page](#)

[Arts & Entertainment](#) | [Ask SAM](#) | [Business](#) | [Classifieds](#) | [Cyberguide](#)

[E-mail Us](#) | [Living](#) | [News](#) | [Opinion](#) | [Site Map](#)
[Speak Out \(Message Boards\)](#) | [Special Reports](#) | [Sports](#)
[The WIRE](#) | [TV Listings](#) | [Weather](#)

© Piedmont Publishing Co., Inc.

[Top of the page](#)

te/bank
COMPARE OUR RATES**MORE BANK
FOR YOUR BUCK**

[Business | US Market | By Industry | IPO | AP | S&P | International | PRNews | BizWire | CCN]

Tuesday January 18, 4:07 pm Eastern Time

Company Press Release

SOURCE: Partnership for a Healthy Mississippi

Mississippi Takes Anti-Tobacco Advocacy to the Pulpit; State Invests Anti-Tobacco Funding in Faith Based Programs, According to the Partnership for a Healthy Mississippi

JACKSON, Miss., Jan. 18 /PRNewswire/ -- In an effort to reach deeper into the state, the Partnership for a Healthy Mississippi has granted more than \$250,000 of its anti-tobacco funding to churches and other faith-based organizations across the state. The recipients will work with the Partnership to reduce tobacco use in youth and families through the faith-based system in Mississippi.

"The faith community provides an invaluable perspective in our fight against tobacco," says Mike Moore, Attorney General and Chairman of the Partnership for a Healthy Mississippi. "Addiction is not just a condition of the body, but of the spirit. It destroys the family structure through premature illness and death, and prevents us from living up to the best that we can be. We are calling upon our spiritual leaders to help us fight our cultural reliance on tobacco - and we know they will answer that call."

The current faith-based program is an expansion of a program funded by the Partnership last summer for the S.W.A.T. program (Students Working Against Tobacco). The pilot program focused primarily on teaching junior high students life resiliency skills through faith-based day camps. The new program has been expanded to include youth of all ages and their families in a primarily faith-based setting led by religious leaders around the state.

"As the home state of the original Marlboro Man, tobacco has long been a way of life for Mississippi," said Cindy Widdig, Targeted Projects Coordinator at the Partnership for a Healthy Mississippi. "Changing the culture means changing our communities - from the youngest child to the most respected adult, from the statewide legislature to the local church. The joint effort between the Partnership and the faith community was ideal because, historically, Mississippi churches have led the way toward social change."

According to research, nearly 50% of Mississippi teens that smoke started when they were between the ages of 11 and 13. Research has indicated that youth in grades 4-7 are making decisions that will affect the rest of their lives.

"It is vital to reach young people before they start using tobacco and other drugs," says Kelly Dumas, Communications Director for the Partnership for a Healthy Mississippi. "After the success of the first program, we understood the value of continuing to work with the faith community. The goal of this program is to arm faith-based organizations with the resources they need to help our youth from ever picking up their first cigarette."

"I'm proud to join in the Partnership's fight against tobacco," notes Reverend Matthew Canada, who will be participating in the Partnership's efforts through Pilgrim Rest M.B. Church in Madison. "I have personally seen the destruction that tobacco can cause in our community, and can think of no greater service than helping to ease that suffering. Our faith in God can free us from all the chains that bind us -- including the chains of nicotine addiction."

The non-profit organization awarded 100 mini-grants of up to \$2,500 for faith-based organizations to conduct anti-tobacco learning activities for youth in grades 4-7, and to offer cessation information to older teens and adults who influence youth behavior. The projects will run January 1, 2000 - May 31, 2000.

Related Quotes

^DJ	11560.72	+0.00
^IXIC	4130.81	+0.00
^SPC	1455.14	+0.00
^IIX	563.97	+0.00
^PSE	984.37	+0.00

delayed 20 mins - disclaimer

Get Quotes

The Partnership for a Healthy Mississippi is a non-profit organization made up of more than 60 statewide governmental and non-governmental agencies and more than 600 local organizations. The Partnership is dedicated to offering Mississippi youth healthy, tobacco-free alternatives. The Partnership is funded through a \$62 million award from the tobacco industry separate from the state's \$4 billion settlement.

SOURCE: Partnership for a Healthy Mississippi

Related News Categories: tobacco

Search News

[Help](#)

Copyright © 2000 Yahoo! All Rights Reserved. [Privacy Policy](#) - [Terms of Service](#)

Copyright 2000 PRNewswire. All rights reserved. Republication or redistribution of PRNewswire content is expressly prohibited without the prior written consent of PRNewswire. PRNewswire shall not be liable for any errors or delays in the content, or for any actions taken in reliance thereon.

[Questions or Comments?](#)

53129 4527

DJ 1/16/00 9:04 PM

WSJ(1/17): US Tobacco Firms Likely To Post Mixed Results

By Cathleen Egan
Dow Jones Newswires

NEW YORK -- Cigarette consumption continued to decline in the fourth quarter, affecting end-of-the-year profits at tobacco manufacturers.

Total industry volume dropped about 6% in the quarter, analysts said. Before 1999, the industry had been tracking shipment growth of about 2% a year. A number of cigarette-price increases, however, drove up the average cost of a pack and kept consumers at a distance throughout the year. Analysts estimate that tobacco volume fell 9% to 10% in 1999.

Though industry shipments were down in the fourth quarter, the decline was an improvement over the first nine months of the year, when volume levels had decreased about 10%. Analysts expect quarterly results to improve beginning in the first quarter, as the performances will start to compare with weak 1999 results.

"Overall, there is a better tone to the business," said David Adelman, a tobacco industry analyst for Morgan Stanley Dean Witter. "The fourth quarter should provide the evidence that 2000 will be better for the industry than 1999."

Philip Morris Cos., the largest cigarette company in the nation, is expected to post higher fourth-quarter U.S. tobacco profits, the operations' only year-over-year quarterly increase in 1999. Mr. Adelman estimates the company's domestic tobacco earnings rose 2% to 3% to \$1.44 billion. But shipments fell 4% to 5%. Profits grew in part because of the success of the flagship Marlboro brand and top-notch sales execution, Mr. Adelman said.

On the international side, Mr. Adelman said Philip Morris's tobacco profits rose a slight 1% to \$990 million while volume decreased 4.5%. Analysts said the business is showing improvement from quarters past, but in the fourth quarter continued weakness in markets such as Russia and Eastern Europe tempered results.

On the bright side, major markets such as Western Europe and Japan posted strong results, said Credit Suisse First Boston analyst Bonnie Herzog. Also, Philip Morris escaped a negative currency hit in the quarter-unlike other, recent quarters when negative currency translations subtracted millions of dollars from the company's profit line.

The food business was sturdy in the fourth quarter. Profits in Kraft Foods' domestic operations rose 6% to 7% to about \$686 million, and Kraft logged close to a 2% gain in volume, Mr. Adelman estimated. The international food business continues to make marginal improvements. Profit is expected to have risen 1% to \$363 million.

Miller Brewing Co., which represents about 3% of Philip Morris's business, stirred up a strong quarter. Profits rose about 42% to \$67 million, Mr. Adelman said. The unit continues to benefit from brewing contracts signed with Pabst Brewing Co. last year. Analysts expect quarterly volume to have increased 1% to 3%.

Overall, Philip Morris is expected to post fourth-quarter earnings of 78 cents a share, representing an 8.3% increase from a year earlier.

The story isn't as bright at RJ Reynolds Tobacco Holdings Co., the nation's No. 2 tobacco company. At RJR, which makes Camel and Winston brand cigarettes, operating income is estimated to have dropped 28% to \$324 million, or 78 cents a share, compared with \$1.56 a share a year earlier, Mr. Adelman said. Volume is estimated to have fallen 11% to 12%, almost double the industry's total decline.

The company, which operates strictly as a U.S. tobacco operation, is seeing more brand erosion than its competitors. Higher cigarette prices resulting from the costly national tobacco settlement signed in 1998 have forced consumers to "trade down," or switch to cheaper brands.

53129 4528

But smaller tobacco companies are seizing an opportunity opened by the national deal. The agreement said the smaller players couldn't increase market share beyond a certain level without incurring a financial penalty. But the benchmark was set high enough that these companies have been able to boost market share, as well as prices, without risking profitability and volume.

RJR has been losing market share to these smaller brands, which despite higher prices are still cheaper than RJR's brands. RJR's value-price Doral cigarette alone saw an 11% to 12% drop in volume in the quarter, Mr. Adelman said.

At the same time, RJR has maintained marketing spending levels in an effort to salvage brand equity. That, combined with the steep drop in volume, has affected RJR's profit line.

(END) DOW JONES NEWS 01-16-00

09:03 PM

Copyright 2000 Dow Jones & Co., Inc. All rights reserved.

53129 4529

JANUARY 18, 18:18 EST

Canada Issues Graphic Smoke Warning

By TOM COHEN

Associated Press Writer

TORONTO (AP) — Photos of diseased organs would cover up to 50 percent of cigarette packaging under a proposal expected to be announced on Canada's national anti-smoking day, "Weedless Wednesday."

Health Minister Alan Rock has been studying the matter for more than a year, and persistent news reports said he would formally propose the new warning regulations on Wednesday. A ministry spokesman refused to comment on the proposal.

If approved by the government after public hearings and other steps in the regulatory process, the warnings would be the first anywhere to include graphic photos of diseased organs, according to Cynthia Callard of Physicians for a Smoke-Free Canada.

"Showing a picture of a brain that's been destroyed is a much stronger way of getting the message across," she said.

Canada has stiffened anti-smoking regulations in recent years. Smoking is generally prohibited in public places such as government buildings and auditoriums, and some areas ban smoking in bars and restaurants.

Health warnings on cigarettes were required until the Supreme Court in 1995 struck down portions of the Tobacco Products Control Act as unconstitutional.

Cigarette makers continued including health warnings voluntarily, and a new Tobacco Act passed in 1997 left it to the government to impose any regulations on health warnings.

The tobacco industry has challenged other aspects of the 1997 Tobacco Act in court, contending it amounts to a ban on cigarette advertising and therefore infringes on free expression guaranteed by the Charter of Rights. The case is pending.

Robert Parker, president of the Canadian Tobacco Manufacturer's Council, was quoted by The Globe and Mail newspaper as saying that the industry has been left out of consultations on the government's health warning plans.

He questioned whether the graphic images under consideration could be reproduced on packages, and said the industry previously agreed with the government that cigarette packages should have warnings but disagreed over what the warnings should say and how large they should be.

In the United States, cigarette makers are required to include warning labels on packages. Two U.S. senators, Democrat Frank Lautenberg of New Jersey and Republican Richard Lugar of Indiana, intend to propose legislation this year that would require the warnings to be worded more clearly and directly, and to include a list of all ingredients and cancer-causing agents in cigarettes, Lautenberg's office said Wednesday.

[home](#) | [us news](#) | [world](#) | [business](#) | [sports](#) | [weather](#) | [search](#) | [help](#) |

AP

Copyright 2000 Associated Press. All rights reserved.
This material may not be published, broadcast, rewritten or redistributed.
[Comments and questions](#)
[AP privacy statement](#)

53129 4530