

Tobacco Exec Says Lost Sales OK to Stop Teen Smoking

Health: **Philip Morris** vice president acknowledges at substance abuse meeting that nicotine is an addictive drug.

Los Angeles Times via Dow Jones

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With the **tobacco** industry's fortunes at a low ebb, a top **Philip Morris** executive made a conciliatory appearance at a national addiction conference Thursday, declaring that the **tobacco** giant would accept a drastic loss of sales and even an eventual retreat from the **cigarette** business if that's what it takes to stop teen **smoking**.

"As much money as possible should be devoted . . . to the very real problem of youth **smoking** in this country," Steven C. Parrish, a senior vice president of **Philip Morris**, told more than 300 public health officials and substance abuse experts at the meeting in Simi Valley.

If the end result is that "our adult business dries up," then "our company is prepared to accept that . . . and we will invest our assets in other businesses," Parrish said.

Speaking against a backdrop of battered share prices and intense legal peril for the **tobacco** industry, Parrish also said during an exchange with former Food and Drug Commissioner David Kessler that he had "no problem saying" nicotine is an addictive drug.

And he called for "serious regulation of the **tobacco** industry at the federal level," a goal he said he has begun to pursue in recent days through conversations with members of Congress.

Although Parrish has provided only sketchy details, he has mentioned tougher **cigarette** warning labels, disclosure of **cigarette** additives and ingredients, and guidelines for marketing less-hazardous products.

But "serious regulation" is in the eyes of the beholder, and critics note that **Philip Morris**, the top U.S. **cigarette** maker, and its rivals remain firmly opposed to FDA authority to regulate nicotine levels in **cigarettes**--whereas **tobacco** control advocates won't accept anything less. The Supreme Court is expected to rule in the next few months on the industry's challenge of FDA authority.

The industry needs regulation to determine how it can market a new generation of **cigarettes** and **cigarette**-like devices, now in the development stage, that supposedly give a nicotine kick but greatly reduced levels of cancer-causing tar. Regulations are needed to establish what the companies can legally say to promote products that are purportedly less hazardous yet are still not safe.

"They need a governmental agency to give credibility to the idea that a new product is safer," said Matt Myers, president of Washington-based the Campaign for **Tobacco-Free Kids**.

But he said health groups would fight for limits on marketing such "safer" products to ensure the promotions do not lead more people to **smoke**.

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Industry observers say **Philip Morris** also hopes its outreach to Congress and public health groups somehow will resonate favorably with judges and juries, who increasingly hold the industry's fate in their hands.

Tobacco companies are defending a massive lawsuit by the Justice Department that seeks to recover federal expenditures to treat sick **smokers** under Medicare and other programs. Later this month or next, they could also be hit with a punitive damages award of \$100 billion or more in a Florida class-action case on behalf of dead or dying **smokers**.

On the second day of the substance abuse conference at the Ronald Reagan Presidential Library and Museum, Parrish and Kessler, along with Peter Coors, chief executive of Coors Brewing Co., and Robert Pitofsky, chairman of the Federal Trade Commission, served on a panel discussing U.S. policy toward legal drugs.

But much of the time was consumed by a conversation between Kessler and Parrish that almost had the air of a negotiating session. At one point, Kessler, now dean of the medical school at Yale University, told Parrish that acknowledging that nicotine "is a drug . . . is a very, very big first step, and I applaud you for it."

Near the end of the session, Joseph A. Califano Jr., head of the National Center on Addiction and Substance Abuse, which sponsored the conference, drew an audible gasp when he told the mostly out-of-town audience that Los Angeles Mayor Richard Riordan wants to earmark city **tobacco** settlement funds to pay legal damages from the Rampart police scandal--rather than spend the money to fight youth **smoking**. The money is the city's share of proceeds from the industry's landmark settlement of lawsuits by states and several cities in 1998.

"I think that's an outrage," said Califano, suggesting that he and Parrish draft a joint letter urging Riordan to change his mind.

Times staff writer Alissa Rubin in Washington contributed to this report.

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