

CONFIDENTIAL MAIL
WIZARD ELECTRONIC MAIL SYSTEM - MADF

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OPER DL6 060887 082344 EZM130L 01

SUBJ: PM INFO

FROM DAVE GORDON

060887 074605

DIST: TIRI LARE JOJE ALST DRMC CHKO PHFI JIBA TOLGES DACA HEWO

MESG: WHILE ATTENDING MY HIGH SCHOOL REUNION THIS PAST WEEKEND, I HAD THE OPPORTUNITY TO RENEW AQUAINTANCES WITH SOME PM EMPLOYEES FROM BOTH THE LOUISVILLE AND CABARRUS LOCATIONS. THE FOLLOWING ARE MY RECOLLECTIONS AND SPECULATIONS RE THESE CONVERSATIONS.

- 1) RECEIVED MANY COMMENTS ON CAPRI. SMOKING OF THESE PRODUCTS BY THE PM EMPLOYEES MUST HAVE BEEN WIDESPREAD SINCE PEOPLE WERE FROM DIFFERENT DEPARTMENTS/LOCATIONS. SEVERAL COMMENTS WERE MADE AS TO THE "VERY GOOD SMOKE QUALITY", "NOT A BAD CIGARETTE AT ALL", ETC. ALSO SEVERAL QUESTIONS (LEFT UNANSWERED OF COURSE) ABOUT "HOW DO YOU MANUFACTURE THAT?", "WHAT DO YOU HAVE TO DO TO MAKE IT WORK?", ETC. ONE WAS LEFT WITH THE IMPRESSION THAT PM WAS ATTEMPTING MANUFACTURE BUT HAD SOME PROBLEMS.
- 2) THE HEAD OF LOUISVILLE'S ENGINEERING STAFF MENTIONED A NEW PROCESS BEING INSTALLED IN THAT BRANCH. IT WAS NOTED TO BE A "MAJOR"

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MESG: UNDERTAKING INVOLVING RELOCATION OF LOTS OF EQUIPMENT AND INSTALLATION OF NEW STUFF. HE MENTIONED THE PROCESS IN CONJUNCTION WITH THE PM STATED REDUCTION IN IMPORT TOBACCO. HE FURTHER SAID THAT THE RECENT RJR DICAMBA EPISODE HAS MADE THEM PULL OUT ALL STOPS TO INSTALL NEW STUFF ASAP RATHER THAN PLANNED INSTALLATION LATER IN YEAR. HE SAID THEY WERE SCURRYING TO GET EVERYTHING IN NOW AND PRODUCTION WAS BEING AFFECTED. SPECULATIONS: COULD THIS BE THE "EXTRACTION PROCESS" WE'VE BEEN GETTING RUMORS OF? IS IT A MEANS TO UPGRADE AND CLEAN-UP LEAF/STRIP? DOES PM HAVE A DICAMBA PROBLEM?

- 3) HEARD PM'S 1987 EXPORT CIG VOLUME WAS PROJECTED AT ABOUT 65 B. CONCERN WAS EXPRESSED THAT RJR/DICAMBA MIGHT "MESS UP" THE JAPANESE MARKET. THE 65B IS SUBSTANTIALLY MORE THAN THE NEARLY 45B IN 1986 AND THIS INDICATES JAPAN IS A TARGET.

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