

Maxwell report

Reaching a plateau

For 1980, at best, the cigarette industry should be up modestly. There is a possibility, however, that it may be slightly down.

By John C. Maxwell Jr

The cigarette industry should end this year on an up-tick, with a volume gain of some 1 percent. However, there is one extra working day in the fourth quarter and some pipelining; thus we feel that the actual increase will be more modest.

For 1980, at best, we look for the industry to be up modestly, and

there is a possibility that it may be slightly down.

1979 success story

The success story of 1979 in the cigarette industry is American Brands' Carlton, which has increased its volume almost 50 percent and is the fastest growing brand we have seen in many a year. At least part of this gain relates to a pronouncement about 18 months ago by Dr. Gio Gori, a scientist working with the Health, Education & Welfare Department, who implied that Carltons were not all that bad, and one could smoke 10 or more to one of the

more popular brands, such as Marlboro, Winston or Kool.

We believe the Gori statement has helped to accelerate the trend toward low tar cigarettes, which now constitute more than 42 percent of total volume.

Further, a good portion of the action seems to be in the 5 mg-and-under area, with the introduction of Reynolds' Doral II, and Lorillard's Kent III and Triumph this year.

Movement encouraged

Some industry observers seem encouraged by this movement toward low tar, as they consider tar

Estimated domestic cigarette consumption
by company and brand (Billion units)

	1978 units	1979 units	Change
R. J. Reynolds			
Winston (soft pack)	48.65	43.34	(10.9)%
Winston (hard box)	2.70	2.49	(7.8)
Winston 100s	15.15	13.84	(8.6)
Winston Menthol 100s	1.20	1.02	(15.0)
Winston Lights	11.60	13.34	15.0
Winston Long Lights	5.25	6.59	25.5
Total Winston	84.55	80.62	(4.6)
Salem	21.85	18.80	(14.0)
Salem 100s	12.65	11.35	(10.3)
Salem Box	1.25	1.14	(8.8)
Salem Lights	11.25	13.35	18.7
Salem Long Lights	7.35	9.20	25.2
Total Salem	54.35	53.84	(0.9)
Vantage	12.20	12.40	1.6
Vantage Menthol	2.60	2.64	1.5
Vantage 100s	3.98	4.66	17.1
Vantage Ultra Lights	—	0.80	—
Total Vantage	18.78	20.50	9.2
Camel	5.85	5.47	(6.5)
Camel Lights	3.50	4.60	31.4
Camel Lights 100s	—	1.20	—
Total Camel	9.35	11.27	20.5
More	3.50	4.00	14.3
More Menthol	2.70	3.18	17.8
Total More	6.20	7.18	15.8
Doral	2.20	1.39	(36.8)
Doral Menthol	1.33	1.01	(24.1)
Philip Morris			
Marlboro (hard box)	36.41	35.83	(1.6)%
Marlboro (soft pack)	35.91	35.12	(2.2)
Marlboro 100s (soft pack)	3.93	3.75	(4.6)
Marlboro 100s (hard box)	11.07	10.87	(1.8)
Marlboro Green	1.30	1.31	0.8
Marlboro Lights	9.31	11.18	20.1
Marlboro Lights 100s	3.08	5.28	71.4
Total Marlboro	101.01	103.34	2.3
Benson & Hedges 100s	11.49	10.00	(13.0)
Benson & Hedges Menthol 100s	7.66	7.20	(6.0)
Benson & Hedges Premium	0.12	0.12	—
Benson & Hedges Multi-Filter	11.3	0.93	—
1978	units	1979	units Change
Doral II	—	1.40	—
Doral II Menthol	—	1.05	—
Total Doral	3.53	4.85	21.9
Now (hard box)	2.10	1.96	(6.7)
Now (soft box)	0.08	0.63	—
Now Menthol (hard box)	0.97	0.92	—
Now Menthol (soft box)	0.04	0.38	—
Total Now	3.19	3.89	37.4
Real	1.80	1.53	15.0
Real Menthol	0.75	0.62	—
Total Real	2.55	2.15	(15.7)
All Others	0.04	0.12	—
Total Filter	182.54	184.42	1.0
Camel	16.25	14.83	(8.7)
Total Domestic	198.79	199.25	0.2%
% Filter	91.8%	92.6%	—
% Market	32.9%	32.6%	—

→	1978 units	1979 units	Change		1978 units	1979 units	Change
Max Menthol 120s.....	0.37	0.35	—	Eve Menthol 100s	0.46	0.35	—
Total Max 120s.....	1.03	1.00	(2.9)	Total Eve	1.15	0.94	—
Spring 100s.....	0.15	0.12	—	Decade.....	0.77	0.56	—
All Others	0.02	0.04	—	Decade Menthol	0.25	0.21	—
Total Filter.....	54.70	59.46	8.7	Total Decade	1.02	0.77	—
Old Gold Kings*	0.16	0.13	—	Chesterfield 101s*	0.31	0.22	—
Total Domestic.....	54.86	59.59	8.6%	Chesterfield 85s*	0.10	0.08	—
% Filter.....	99.7%	99.8%	—	Total Chesterfield	0.41	0.30	—
% Market	9.1%	9.8%	—	All Others	0.10	0.10	—
*Couponed cigarettes.				Total Filter.....	15.55	13.10	(15.8)
Liggett Group				Chesterfield (king)*	3.39	3.18	(6.2)
L&M (soft pack).....	5.40	4.69	(13.1)%	Chesterfield (regular)*.....	0.62	0.60	—
L&M (hard box).....	0.14	0.10	—	Total Domestic	19.56	16.88	(13.7)%
L&M 100s.....	1.67	1.42	(15.0)	% Filter.....	79.5%	77.6%	—
L&M Menthol 100s	0.26	0.14	—	% Market	3.2%	2.8%	—
L&M Lights	1.30	1.24	(4.6)	Total Industry Consumption	604.82	610.70	1.0%
Total L&M	8.77	7.59	(13.5)	Change in Inventory	9.38	(0.70)	—
Lark 85s	2.70	2.16	(20.0)	Total Production	614.20	610.00E	(0.7)%
Lark 100s	1.20	0.86	—	Note: Percentage change is not computed for brands selling under 1 billion units. Total production is USDA estimated.			
Lark Lights	0.20	0.38	—	*Couponed cigarettes.			
Total Lark	4.10	3.40	(17.1)	Lehman Brothers Kuhn Loeb estimated.			
Eve 100s.....	0.69	0.59	—				

Estimated domestic cigarette consumption
by type and brand for 1979 (Billion units)

	Total	Plain filter	Mentho- lated filter	Char- coal filter	Regular	King		Total	Plain filter	Mentho- lated filter	Char- coal filter	Regular	King
ariboro	103.34	102.03	1.31				Doral	1.85	2.79	2.06			
ination	80.62	79.60	1.02				Chesterfield	1.08	0.30			0.60	3.18
ool	56.05		55.36		0.69		Now	.89	2.59	1.30			
item	53.84		53.84				Lark	.40			3.40		
ill Mall	34.36	8.19	0.47			25.70	Old Gold	.86	2.73				0.13
anson & Hedges	27.95	15.40	11.62	0.93			Saratoga	.16	1.47	0.69			
imel	26.10	11.27			14.83		Real	.15	1.53	0.62			
iril	23.23	18.91	4.32				Silva Thins	.58	0.99	0.59			
ntage	20.50	17.86	2.64				Triumph	.50	0.97	0.53			
nl	19.33	19.13	0.20				Arcile Lights	.29		1.29			
rlton	15.10	11.23	3.87				Philip Morris	.25				0.19	1.06
lden Lights	13.30	11.45	1.85				Max 120s	1.00	0.65	0.35			
eylon	12.49		0.11	12.13		0.25	Eve	0.94	0.59	0.35			
eroy	11.88	11.88					Decade	0.77	0.56	0.21			
e	11.65	7.84	3.81				Alpine	0.53		0.53			
eigh	11.24	10.29				0.95	Tall 120s	0.16	0.28	0.08			
inia Slims	9.85	4.98	4.87				Spring 100	0.12		0.12			
vport	9.79		9.79				du Maurier	—	—	—			
liament	7.64	4.88		2.78			Fact	—	—	—			
A	7.59	7.45	0.14				All Others	0.7	0.77				
lir	7.39		7.39				Total	610.0	362.77	174.51	19.24	22.91	31.27
e	7.18	4.00	3.18				% Market	100.0%	59.4%	28.6%	3.1%	3.8%	5.1%
ky	6.78	0.18			6.60								

Cigarette output by company (Billion units)

Company	1978				1979 (estimated)			
	Domestic	Export	Total	% of domestic market	Domestic	Export	Total	% of domestic market
J. Reynolds	198.79	28.90	227.69	32.9%	199.25	28.00	227.25	32.6%
lip Morris*	168.44	33.53	201.97	27.8	176.11	40.00	216.11	28.8
own & Williamson	92.30	15.86	109.16	15.3	87.90	18.40	106.30	14.4
erican Brands	70.87	1.60	72.47	11.7	70.97	1.60	72.57	11.6
illard**	54.86	—	54.86	9.1	59.59	—	59.59	9.8
gett Group***	19.56	3.45	23.01	3.2	16.88	—	16.88	2.8

*Includes export volume since June 26, 1978.

	1978 units	1979 units	Change
Max Menthol 120s.....	0.37	0.35	—
Total Max 120s.....	1.03	1.00	(2.9)
Spring 100s.....	0.15	0.12	—
All Others.....	0.02	0.04	—
Total Filter.....	54.70	59.46	8.7
Old Gold Kings*.....	0.16	0.13	—
Total Domestic.....	54.86	59.59	8.6%
% Filter.....	99.7%	99.8%	—
% Market.....	9.1%	9.8%	—

*Couponed cigarettes.

Liggett Group			
L&M (soft pack).....	5.40	4.69	(13.1)%
L&M (hard box).....	0.14	0.10	—
L&M 100s.....	1.67	1.42	(15.0)
L&M Menthol 100s.....	0.26	0.14	—
L&M Lights.....	1.30	1.24	(4.6)
Total L&M.....	8.77	7.59	(13.5)
Lark 85s.....	2.70	2.16	(20.0)
Lark 100s.....	1.20	0.86	—
Lark Lights.....	0.20	0.38	—
Total Lark.....	4.10	3.40	(17.1)
Eve 100s.....	0.69	0.59	—

	1978 units	1979 units	Change
Eve Menthol 100s.....	0.46	0.35	—
Total Eve.....	1.15	0.94	—
Decade.....	0.77	0.56	—
Decade Menthol.....	0.25	0.21	—
Total Decade.....	1.02	0.77	—
Chesterfield 101s*.....	0.31	0.22	—
Chesterfield 85s*.....	0.10	0.08	—
Total Chesterfield.....	0.41	0.30	—
All Others.....	0.10	0.10	—
Total Filter.....	15.55	13.10	(15.8)
Chesterfield (king)*.....	3.39	3.18	(6.2)
Chesterfield (regular)*.....	0.62	0.60	—
Total Domestic.....	19.56	16.88	(13.7)%
% Filter.....	79.5%	77.6%	—
% Market.....	3.2%	2.8%	—
Total Industry Consumption.....	604.82	610.70	1.0%
Change in Inventory.....	9.38	(0.70)	—
Total Production.....	614.20	610.00E	(0.7)%

Note: Percentage change is not computed for brands selling under 1 billion units. Total production is USDA estimated.

*Couponed cigarettes.

Lehman Brothers Kuhn Loeb estimated.

Estimated domestic cigarette consumption by type and brand for 1979 (Billion units)

	Total	Plain filter	Mentho- lated filter	Char- coal filter	Regular	King		Total	Plain filter	Mentho- lated filter	Char- coal filter	Regular	King
Marlboro.....	103.34	102.03	1.31				Doral.....	4.85	2.79	2.06			
Winston.....	80.62	79.60	1.02				Chesterfield.....	4.08	0.30			0.60	3.18
Kool.....	56.05		55.36		0.69		Now.....	3.89	2.59	1.30			
Salem.....	53.84		53.84				Lark.....	3.40			3.40		
Pall Mall.....	34.36	8.19	0.47			25.70	Old Gold.....	2.86	2.73				0.13
Benson & Hedges.....	27.95	15.40	11.62	0.93			Saratoga.....	2.16	1.47	0.69			
Camel.....	26.10	11.27			14.83		Rea.....	2.15	1.53	0.62			
Merit.....	23.23	18.91	4.32				Silva Thins.....	1.58	0.99	0.59			
Vantage.....	20.50	17.86	2.64				Triumph.....	1.50	0.97	0.53			
Kent.....	19.33	19.13	0.20				Arctic Lights.....	1.29		1.29			
Carlton.....	15.10	11.23	3.87				Philip Morris.....	1.25				0.19	1.06
Golden Lights.....	13.30	11.45	1.85				Max 120s.....	1.00	0.65	0.35			
Tareyton.....	12.49		0.11	12.13		0.25	Eve.....	0.94	0.59	0.35			
Viceroy.....	11.88	11.88					Decade.....	0.77	0.56	0.21			
True.....	11.65	7.84	3.81				Alpine.....	0.53		0.53			
Raleigh.....	11.24	10.29			0.95		Tall 120s.....	0.36	0.28	0.08			
Virginia Slims.....	9.85	4.98	4.87				Spring 100.....	0.12		0.12			
Newport.....	9.79		9.79				du Maurier.....	—	—	—			
Parliament.....	7.64	4.86		2.78			Fac.....	—	—	—			
L&M.....	7.59	7.45	0.14				All Others.....	0.77	0.77				
Belair.....	7.39		7.39				Total.....	610.70	362.77	174.51	19.24	22.91	31.27
More.....	7.18	4.00	3.18				% Market.....	100.0%	59.4%	28.6%	3.1%	3.8%	5.1%
Lucky.....	6.78	0.18			6.60								

Cigarette output by company (Billion units)

Company	1978				1979 (estimated)			
	Domestic	Export	Total	% of domestic market	Domestic	Export	Total	% of domestic market
R. J. Reynolds	198.79	28.90	227.69	32.9%	199.25	28.00	227.25	32.6%
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Brown & Williamson	92.30	16.86	109.16	15.3	87.90	18.40	106.30	14.4
American Brands	70.87	1.60	72.47	11.7	70.97	1.60	72.57	11.6
Lorillard**	54.86	—	54.86	9.1	59.59	—	59.59	9.8
Liggett Group***	19.56	3.45	23.01	3.2	16.88	—	16.88	2.8

*Includes export volume since June 26, 1978.

**As of June 22, 1977, Lorillard sold its export brands to Moorgate Tobacco Ltd., an affiliate of British-American Tobacco Co.

***As of June 26, 1978, Liggett sold its export brands to Philip Morris

Brand switch may help you to kick habit

DAYTONA BEACH, Fla. (UPI) — The American Cancer Society advises people to quit smoking, but if you can't go "cold turkey," switch to a low tar and nicotine cigarette and that might help you ease out of the habit.

Lawrence Garfinkel, cancer society vice president for epidemiology, said in a report released Thursday that a new study shows more people stopped smoking after switching to the low tar and nicotine brands than those who didn't.

By 1972, he said 41 percent of the men who were smoking low tar-nicotine cigarettes in 1965 had quit, compared to only 35 percent of those using high tar-nicotine brands.

Among women, 27 percent of the low tar-nicotine smokers had quit, as against 20 percent of the high nicotine-tar smokers.

Garfinkel discussed the findings at a cancer society seminar, saying the same pattern of smoking was observed when the smokers were divided into categories by the amount they smoked in 1959. The proportion of those who quit was highest among the low tar-nicotine smokers.

An earlier study showed people who smoked low tar-nicotine cigarettes had a lower death rate, from all causes, than those who smoked high tar-nicotine brands.

And an autopsy study showed fewer cell changes in the lungs of people who died in the 1970s than in those who died 15 years earlier when fewer were smoking the low tar-nicotine brands.

"There's no such thing as a safe cigarette," said Dr. Frank Rauscher, senior vice president of the cancer society and former head of the government's National Cancer Institute.

"Clearly the best thing to do from a heart disease risk as well as a cancer risk is not to smoke at all. So our recommendation is don't smoke at all.

"But if in the interim you can't give it up in terms of cold turkey, then go to a less hazardous cigarette which would mean a very low tar, that is under 6 milligrams of tar per cigarette."

Rocky Mountain News
Friday 3-28-80

X Garfinkel
X Cig T/N
X Rauscher

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Low-Nicotine Cigarettes Viewed as Aid to Quitting

DAYTONA BEACH, Fla., March 27 (UPI) — An American Cancer Society report suggested today said smokers who switch to low tar and low nicotine brands have an easier time quitting smoking than those who do not switch.

The report by Lawrence Garfinkel, the society's vice president for epidemiology, said that 41 percent of the men who were smoking low tar-nicotine cigarettes in 1965 had quit by 1972, compared with only 35 percent of those using high tar-nicotine brands.

Among women, 27 percent of the low tar-nicotine smokers had quit, as against 20 percent of the high nicotine-tar smokers.

Mr. Garfinkel discussed the findings at a cancer society seminar.

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DENVER, COLO.
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MAR. 27, 1980

Garfinkel
X Day Safer
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LOW TAR-NICOTINE STUDY

THE DENVER POST Thurs., Mar. 27, 1980

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'Safer' Cigarettes Easier to Quit

DAYTONA BEACH, Fla. (UPI) — Not only are low tar-nicotine cigarettes safer, but a new study shows that many who smoke them find it easier to quit.

That's the latest finding of Lawrence Garfinkel, an American Cancer Society vice president, who has been assessing the health impacts of low tar-nicotine cigarettes for several years.

Millions of Americans have switched to the growing number of brands containing relatively low amounts of nicotine and tar, and Garfinkel said in a report released Wednesday it is paying off with better health.

"We still believe it is best not to smoke at all," Garfinkel said. "For those who can't stop, they would be well-advised to switch to a low-tar and nicotine cigarette."

A greater emphasis has been placed on stopping smoking, or at least using safer brands, because doctors have had little success in stemming the lung cancer death rate in the United States.

Lung cancer, largely blamed on smoking, is the leading cancer killer of men and is increasing rapidly among women.

"Perhaps the most important effect of switching to low tar-nicotine cigarettes is that it appears to make it easier for smokers to quit," Garfinkel said.

By 1972, he said 41 percent of the men smoking low tar-nicotine cigarettes in 1965 had quit, while only 35 percent of those using high tar-nicotine cigarettes had given up the habit.

Among women, 27 percent of the low tar-nicotine smokers had quit compared to 20 percent of the high tar-nicotine smokers.

An earlier study showed those who smoked low tar-nicotine cigarettes had lower mortality than those who smoked high tar-nicotine brands.

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10 — THE CAPITAL TIMES, Thursday, March 27, 1980 •

Smoking hurts nonsmokers too, study says

BOSTON (UPI) — The latest warning on cigarettes: other people's smoke can be harmful to your lungs.

A study of 2,100 middle-aged subjects indicates that chronic, long-term exposure to the tobacco smoke of others diminishes the capacity of the small air passages in the lungs of nonsmokers.

The study by researchers James R. White and Herman Froebe is the first clinical evidence that "passive smoking" — breathing the fumes from a co-worker's cigarette, cigar, or pipe — can affect the respiratory system of a nonsmoker.

The findings, reported today in the New England Journal of Medicine, appear to contradict the conclusions of a 1979 study by the U.S. Surgeon General, which said nonsmokers most

likely are not affected by others' smoking habits.

"We conclude that chronic exposure to tobacco smoke in the work environment is deleterious to the nonsmoker and significantly reduces small-airways function," White and Froebe wrote.

Their study, conducted at the University of California, San Diego, divided the 2,100 subjects into categories according to sex, age, height, and use of tobacco.

The categories included nonsmokers in a nonsmoking environment, "passive smokers" (nonsmokers inhaling smoke from others), smokers of more than 20 years who did not inhale, and smokers who inhaled anywhere from 1 to 40 cigarettes a day for 20 years.

Compared with nonsmokers who

worked in nonsmoking environments, both men and women in the other groups had "significantly lower" responses to lung capacity tests, Froebe and White reported.

"The passive smokers (people who don't smoke but breathe smoke) not only scored significantly lower than their nonsmoking counterparts but also fell into the same state of impaired performance as the non-inhalers and light smokers," they said.

Researchers have already found evidence that people with chronic heart or lung diseases are adversely affected by the tobacco smoke of others. They also believe that fetuses are affected by the smoking habits of their mothers.

The White-Froebe study, however, is believed the first to actually measure a physical change in healthy nonsmokers.

X White
X Froebe
SS Dr. - Brown

If you can't quit, switch

DAYTONA BEACH, Fla. (UPI) — The American Cancer Society advises people to quit smoking, but if you can't go "cold turkey," switch to a low tar and nicotine cigarette and that might help you ease out of the habit.

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LUNG CANCER

DAYTONA BEACH, FLA. (AP) -- SWITCHING TO CIGARETTES LOW IN TAR AND NICOTINE MAKES IT EASIER TO QUIT SMOKING AND REDUCES THE LIKELIHOOD OF DEVELOPING HEART AND LUNG DISEASE, ACCORDING TO THE VICE PRESIDENT OF THE AMERICAN CANCER SOCIETY.

LAWRENCE GARFINKLE, VICE PRESIDENT FOR EPIDEMIOLOGY, TOLD A SCIENCE WRITERS' SEMINAR WEDNESDAY THAT CHANGES IN SMOKING HABITS COULD MEAN A SIGNIFICANT CHANGE IN MORTALITY RATES IN THE NEAR FUTURE.

"DESPITE THE FACT THAT LUNG CANCER IN THE UNITED STATES HAS NOT DECREASED, THERE IS COMPELLING EVIDENCE FROM SEVERAL RECENT AMERICAN CANCER SOCIETY STUDIES THAT CHANGING SMOKING PATTERNS IS HAVING AN EFFECT," HE SAID.

RECENT STUDIES HAVE SHOWN THAT LUNG CANCER RATES AMONG MEN WILL DROP IN THE NEAR FUTURE BECAUSE MANY ARE GIVING UP SMOKING OR SWITCHING TO CIGARETTES WITH LOW TAR OR NICOTINE CONTENT, BUT THE SOCIETY SAID LUNG CANCER RATES FOR WOMEN ARE HIGHER THAN EVER.

THE SOCIETY REPORTED YEARS AGO THAT THOSE WHO QUIT SMOKING HAVE LOWER LUNG CANCER RATES THAN THOSE WHO CONTINUE TO SMOKE. MORE RECENT STUDIES SHOW SMOKERS OF LOW-TAR, LOW-NICOTINE CIGARETTES HAVE LOWER MORTALITY RATES FROM CORONARY HEART DISEASE AND LUNG CANCER.

"PERHAPS THE MOST IMPORTANT EFFECT OF SWITCHING TO LOW-TAR, LOW-NICOTINE CIGARETTES IS THAT IT APPEARS TO MAKE IT EASIER FOR SMOKERS TO QUIT," GARFINKLE SAID.

"AN ESTIMATED 30 MILLION SMOKERS HAVE QUIT IN RECENT YEARS, AND THERE IS A STRONG TREND TOWARD USE OF THE LOWER-TAR, (LOWER) NICOTINE CIGARETTES," HE SAID.

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