C of C MEETING

Privileged & Confidential N.Y. JUNE 22, 1982 ①

Committee of Counsel Meeting June 22, 1982 at American Brands New York, N.Y. at 10:00.

Attendance:

RHR Witt, Chrom, Jowdy,
HBI Henson
LL Stevens, Cherry,
B&W Sachs
SH&B Shinn, Hoel, Northrup
C&B Timko, Rupp
TI Kornegy, Panzer,
H&M Jacobs, Chron
PM Seed
US Jim Chapin
L&M Lee

See Agenda

1. Self Extinguishing Cigarette.

Chron report on meeting with Andrew McGuire. 13 States will bring bills. Sen Cranston & Moakley New York - Spears Report. Spears report went to Waxman. Cranston gave Spears report to McGuire Melvin Belli to give lecture on self extinguishing cigarette case. Sherman cigarettes go out. Discussed Cohn patents. He says 3 minutes. His only answer was to modify the cigarettes. There will be a lot more law suits. No burning additives. Burn center in California. Timko - education won't change him. Horace - exit through this

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a continuing dialogue. He is encouraging litigation. The more McGuire pushes on state bills – his hope is to get a federal bill. He took a negative view to our plan of consumer education. Shkin – product liability – cases in 6 months. We are in a very adversary position. Don't let him create what we said. McGuire active in promoting litigation. Will will poke C of C before any further meetings with McGuire. Lambo – conspiracy between co's not to develope self extinguishing mechanics cigarettes.

2. Possible Non-Product Modification Research Regarding Self-Extinguishing Cigarettes.

Lambo: Product modifications – anti trust – Sindell & Victor cases. Be careful if you are going to talk about product modification – Research people get together etc. If joint decision & one co doesn't do it – trouble. Railroad clearance – all voted no but H&M. Hh – Stevens – wants to develope protocol for testing self extinguishing cigarettes? Rupp: from a political point of view – unless product modification – joint action makes no sense. Testing equation potential – plays into hands of enemies. Rupp – consider a Stanford II – won't help us politically. Must be production modification research to counter adversaries. 6 to 8 months a law in Oregon & may require performance standards by 1984. Rupp If you are going to defeat Oregon the industry must show that it is engaged in product modification. That

Must license to all any invention. I suggested that we let the law pass in organ. Lets have prohibition & watch the bootleggings.

a measure of propensity to ignite as against setting a standard.

Furniture problem

Horace - Furniture problem, UFHC, we have lost some friends. Maybe they have heard too much good things. Joe Herald Gerrard - Furniture. They wanted to tie in cigarettes to their furniture fires. Rupp & TI told them no dice on press release. Leaders of UFHC are now skeptical. They want to see what we are doing in self extinguishing cigarettes. Joe Gerrard - Bill Richmond & Charles Cary - Co Chairman of UFHC want to see Co. research. Rupp tried to discourage them. They are visibly shocked. Richmond - Victoria furniture Co. in Chicago. Cary is a Rich from Hickory N.C.

Stevens - would present Spurs paper.

Fred - PM - Smith-Greenland Agency - Christine Codec - TV add - friend of Stan -VP-PR

Awful TV ad.

She tele for donation. Fire safety NYC campaign NY Fire Dept. Working on more commercials for national distribution - may be they could discuss "Negligence use of cigarettes." Not so anti-fire - as opposed to careless use of cigarettes. Public service advertising. - Appeared on "Good Morning America" "Be careful how you smoke." There is a prospect of affecting present ad. (1) Do we want to get involved (2) Do we want to reconstruct commercial. "My cigarettes got me, no cancer, emphysema

something about. They are looking for $100,000.00
Executive Committee should consider this.

4. 1911 Consent Decree.
We previously determined to let sleeping dogs lie. HBA leave it alone.
Lester of Justice Dept.

5. Rylander Symposium.
See June 17, 1982 letter from Hoel to C.C. 1½ days, list of invitees. Mone is set in concrete. Next July 12 to give OK or make changes. General Proposal - Geneva after 1st of year, proceedings of conference. Generally on Passive Smoking exposure. "Review of Information on environmental tobacco smoke with particular reference to exposure levels. - dosage, measurement. Already signed & approved by Executive Committee. Whatever we get is better than what we have. Danger of other conferences.

7. Legislative Status

Occupational Lung Disease Bill - Miller of Calif. wants to keep Tobacco out - He wants to stick with Workman's compensation. Also Dunking & Diet. Other bills Tenwick & Hart. Ins. Co. would like to get smoking involved. Federal Compensation system Asbestos Co. only ones to contribute but mechanism to trigger other areas. State compensation Bds would decide. Also Victim free to sue.

Asbestos Coalition Bill. See Panzer Copy of June 15, 1982. Just Asbestos manufacturers. Carl Perkins is head of Committee. Miller bill is in house. Industry - Asbestos & Ins. don't like Miller bill.

Asbestos boys want their own bill & to be tied to the state.

Johns Mansville wants to bail out of the litigation. CNA - Porter Hadden. Wassaw primary carrier of Porter Hadden & considering 3rd party suits. 40+ law suits in New Jersey.

8. Status of Federal Product Liability Act of 1982 Kasten.

C&B Tenlo - no legislation this year. It won't do much for us.

9. Status of NAM / Business Roundtable / CMA Product Liability Lobbying efforts.

Chron - Kasten & Wagman compromise Sindel Case.

CMA Calif. Manuf. Assoc. has been working on a repeal of the Sindel Case.
Drug industry. Victim of DES Fund.
We would support the political side.

Madigan Bill = Horace.
His bill worse than Waxman. Vern Clark of Billboard. Madigan of Ill. Mills saw him. He's a nut. He's opposed to Waxman bill. Apparently Waxman got to Maddigan. Heart Assoc. got to him. Watch him very closely. Leave it where it is. TI will oppose entire bill. Horace is worried about Whittaker. Maddigan pulled the rug out from under Bliley. Horace will discuss Thurs.

10. FTC Invitation to the Companies to take over the Testing of Cigarettes for "Tar" & Nicotine Figures.

Nothing new.

11. LRD.
Jacobs ~ Guterbach, Finnigan etc.
3 sessions, Reviewing system, costs etc.
Shinn? Assess Cost. Henson — Remove system. Get it out of OTR.
Alex? Bembo?

Status of Employment Discrimination Claims -
Chrone -

CTR - problem LRD has 80 people.
+ looked to CTR + no guidelines.

RWR + Jacobs are holding this entire matter up

12. Ingredients -

Tembo June 16th memo
Telex HHS press release
There was an AP story + TV or radio
otherwise not much press.
Received back - list submitted
C+B to retain work papers.
No big press play.
Always a chance of subpoena from
Senate or House Committee.
* Aviato - formerly a Pharmacologist, have
him look over the list. We
want our man to check it.

13. Should we answer May 24, Waxman letter to
S. Witt.
Horace wants additional answer.

(8)

NCI Legal Study -
we have had access to clinical report. ?
HHS - Auerbach. ~ indicated he found
no tumors. Generally - report
negative with respect to smoking.
Spears - LL - recommended - that
we don't press further.