



Handwritten notes:
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cc: Bates

BROWN & WILLIAMSON TOBACCO CORPORATION
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LAW DEPARTMENT

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cc: Dr. Little

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Following our meeting on Thursday, 18th January, at CTR Phil Grant and I joined Janet Brown and Cy Hetsko at luncheon, it being my purpose to fill Phil in on so much of our meeting on Wednesday afternoon (the 17th) as he had been unable to attend. You will recall that the two principal items discussed were: 1) the idea of increased participation by our respective R&D Directors in our over-all problems related to health and 2) Brown & Williamson's concern (which I understand to be shared generally, in varying degrees) for some re-assessment and possible re-alignment or re-orientation of CTR.

The discussion was highly useful. I got the impression that Lorillard, like Brown & Williamson certainly and others of us possibly, has considerable concern as to whether we are spending our dollars in the most useful way and specifically whether we might derive greater value, both short and long term, from CTR were it re-oriented and perhaps - in a sense - re-organized.

The question of orientation provoked from Janet Brown a well reasoned argument in defense of the long established policy of CTR, carried out through SAB, to "research the disease" as opposed to researching questions more directly related to tobacco. With apologies to Janet if I misstate her position, the argument seems to be that by operating primarily in the field of research of the disease we do at least two useful things:

First, we maintain the position that the existing evidence of a relationship between the use of tobacco and health is inadequate to justify research more closely related to tobacco, and

Secondly, that the study of the disease keeps constantly alive the argument that, until basic knowledge of the disease itself is further advanced, it is scientifically inappropriate to devote the major effort to tobacco.

Perhaps the two points made are simply different aspects of a single major premise, and I take it for granted that Janet would express it more clearly and more persuasively.

She says further that research more closely oriented to tobacco is already being carried on, first, by our opponents and, secondly, by the AMA and that (as I understood her) in her judgment there was relatively little outside the area of inhalation studies which we might usefully do.

While I recognize the persuasiveness of what Janet has to say, we at Brown & Williamson are still of the opinion that after 14 years of operation of CTR it is highly desirable that it be re-assessed and re-evaluated and, if the best judgment we can bring to bear so indicates, even re-organized and re-oriented.

As I told you at our meeting it has been very much in my mind to have a talk with Pete Little away from "staff." On a number of counts, among which is Henry Ramm's very helpful suggestion to Dr. Little that in his report to the Annual Meeting he (Little) delineate clearly and in some detail the extent to which CTR was progressing in the direction of planned research as opposed to the pure "grant-in-aid" approach, I came to the conclusion that the time was right for such a conversation with Dr. Little and so said to Messrs. Hetsko and Grant and Janet. Accordingly, I asked Janet to join me in the call I had promised Tom Hoyt I would make after luncheon (the 18th). Cy Hetsko immediately indicated that he would like to join in such a visit but Phil was under the necessity of returning to his offices.

The three of us - Hetsko, Brown and Yeaman - returned to CTR and met with Pete Little and Tom Hoyt. As has happened to me on several other occasions with Pete, I found that he was not only receptive to comment but indeed had moved further in his own thinking than perhaps any of us. Specifically, Pete gave me the very strong impression that he felt not only CTR's basic policy but as well its performance and the adequacy and competence of its staff sorely needed examination.

He said, among other things, that in his judgment Drs. Loosli and Somers would be extremely useful in re-examination of CTR, but that before any approach should be made that Dr. Lynch, Chairman of SAB, should be consulted. He considers Dr. Lynch to be much more "practical" in his approach to such a problem and is confident that Lynch would be the pivotal figure.

Dr. Little in my opinion is eager to move forward and I understood him to think well of a meeting between Dr. Lynch and me which, it goes without saying, is open to be joined by any or all of you. Accordingly, Dr. Little will very promptly sound out Dr. Lynch on the possibility of coming to New York for a discussion on Friday, 26th January, or Monday, 29th January. I told Dr. Little that we would all be in Chicago on the 30th, but so far as I was concerned he could set up such a meeting any date after the 30th if the 26th or 29th were not convenient for Dr. Lynch.