

JUN 24 1964

DOW-JONES TICKER

Mr. Ashley
19th

BG
AHG
CBW
WSS
HG

FTC PLANS RULE SHORTLY ON
CIGARET HAZARD LABELLING

WASHN -AP- THE CHAIRMAN OF THE FEDERAL TRADE COMMISSION ANNOUNCED THE AGENCY HAS DECIDED TO ISSUE A RULE REGULATING THE ADVERTISING AND LABELLING OF CIGARETS

CHAIRMAN PAUL RAND DIXON SAID THE PURPOSE IS TO MAKE SURE THAT THE PUBLIC IS INFORMED ABOUT THE HEALTH HAZARDS OF SMOKING

DIXON MADE THE ANNOUNCEMENT IN A STATEMENT PREPARED FOR THE HOUSE COMMERCE COMMITTEE WHICH IS INVESTIGATING THE BROAD PROBLEM OF SMOKING AND HEALTH

DIXON DID NOT REVEAL DETAILS OF THE FTC RULE

HE SAID THAT THE RULE AND THE ACCOMPANYING STATEMENT -IS IN THE PRINTING STAGE AND CONSISTS OF OVER 150 PAGES- - HE SAID IT WILL BE PUBLISHED IN THE VERY NEAR FUTURE

ADD- FTC - CIGARETS

WASHN -AP- THE FEDERAL TRADE COMMISSION RECENTLY COMPLETED A SERIES OF HEARINGS STARTED LAST MARCH ON ITS PROPOSAL TO ISSUE RULES ON LABELLING AND ADVERTISING OF CIGARETS

THE TOBACCO INDUSTRY STRONGLY OPPOSES ANY SUCH ACTION AND THE HEAD OF THE PUBLIC HEALTH SERVICE QUESTIONED YESTERDAY WHETHER THE FTC HAS SUFFICIENT AUTHORITY TO ACT

SURGEON GENERAL LUTHER TERRY TOLD THE COMMITTEE YESTERDAY THAT THE DEPARTMENT OF HEALTH EDUCATION AND WELFARE BELIEVES MORE LEGISLATION WOULD BE REQUIRED BEFORE ANY FEDERAL RULES COULD BE ISSUED

DIXON TOLD THE COMMITTEE TODAY -THE COMMISSION HAS COMPLETED ITS CONSIDERATION OF THE RECORD AND HAS DETERMINED THAT THE PUBLIC INTEREST REQUIRES THE PROMULGATION OF A TRADE REGULATION RULE FOR THE PREVENTION OF UNFAIR OR DECEPTIVE ADVERTISING OR LABELLING OF CIGARETS IN RELATION TO THE HEALTH HAZARDS OF SMOKING-

HE DID NOT RULE OUT THE POSSIBILITY THAT NEW LAWS MAY BE NEEDED FOR REGULATION DESPITE THE FTC RULE

BUT HE TOLD THE COMMITTEE -THE COMMISSION-S REPORT WOULD I BELIEVE BE OF GREAT ASSISTANCE TO THE COMMITTEE AND THE CONGRESS IN DETERMINING WHAT IF ANY ADDITIONAL LEGISLATION IS NEEDED ON THIS SUBJECT-

DIXON URGED THE COMMITTEE TO WITHHOLD ACTION ON ALL BILLS BEFORE IT UNTIL THE FTC REPORT CAN BE STUDIED

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JUN 24 1964

Mr. Jones

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2

FTC ISSUES CIGARET HAZARD RULE

WASHN -DJ- THE FEDERAL TRADE COMMISSION RULED IT IS UNFAIR AND DECEPTIVE FOR ANY TYPE OF CIGARET ADVERTISING TO FAIL TO DISCLOSE -CLEARLY AND PROMINENTLY- THAT CIGARET SMOKING IS DANGEROUS TO HEALTH AND MAY CAUSE DEATH FROM CANCER AND OTHER DISEASES

ADD- FTC - CIGARETS

WASHN -DJ- THE FEDERAL TRADE COMMISSION IN MAKING ITS DETERMINATION AFTER HEARING ARGUMENTS FROM THE TOBACCO INDUSTRY AND OTHERS SAID THAT A COMPANY FAILING TO DIVULGE THESE DANGERS WOULD VIOLATE THE FEDERAL TRADE COMMISSION ACT

THE WARNING THE COMMISSION SAID MUST BE CARRIED IN ALL ADVERTISING AND ON EVERY PACK BOX CARTON OR OTHER CONTAINER IN WHICH CIGARETS ARE SOLD TO THE CONSUMING PUBLIC

THE FTC FIRST PROPOSED STRINGENT RULES TO GOVERN CIGARET ADVERTISING IN JANUARY AFTER PUBLICATION OF THE REPORT OF THE SURGEON GENERAL-S ADVISORY COMMITTEE ON SMOKING AND HEALTH - AFTER PROPOSING THESE RULES THE COMMISSION HELD HEARINGS AND INVITED WRITTEN DATA AND VIEWS FROM ALL INTERESTED PARTIES - IN ADOPTING ITS RULE TODAY THE COMMISSION SAID IT HAD GIVEN -DUE CONSIDERATION TO ALL VIEWS-

ADD- F T C - CIGARETS

WASHN -DJ- THE ADVERTISING RULE THE COMMISSION SAID WILL BECOME EFFECTIVE ON JULY 1 1965 UNLESS THE COMMISSION IS ASKED AND AGREES TO ANY SUSPENSIONS OR MODIFICATIONS

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6/24

JUN 24 1964

ADD- F T C - CIGARETS

Mr. A. N. S. 19 R.

43

N Y -DJ- SPOKESMAN FOR THE SIX MAJOR CIGARET COMPANIES REACTED TO THE ANNOUNCEMENT THE F T C HAS ISSUED STRINGENT RULES REGULATING CIGARET ADVERTISING AND LABELING EITHER WITH A REPLY OF -NO COMMENT- AND THE OBSERVATION THEY HAVE NOT YET HAD TIME TO STUDY THE NEW RULES

THE NEW F T C RULING SEEMED TO COME AS A SURPRISE TO MOST CIGARET MAKERS - AND IN THE PAST AT F T C HEARINGS THE TOBACCO INSTITUTE A TRADE ORGANIZATION HAS CHALLENGED THE COMMISSION-S AUTHORITY TO ISSUE RULES GOVERNING ADVERTISING

THE AMERICAN MEDICAL ASSOCIATION HAS STATED THAT THE HAZARDS OF CIGARET SMOKING ARE WELL KNOWN TO THE PUBLIC AND WARNING LABELS WOULD SERVE NO USEFUL PURPOSE - AND THE TELEVISION BUREAU OF ADVERTISING HAS VOICED OPPOSITION TO F T C REGULATION OF CIGARET ADVERTISING ON THE GROUNDS SUCH RULES WOULD DESTROY ADVERTISING

-V-

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ADD- FTC-SMOKING

Effective date chang

WASHN -DJ- THE HEALTH WARNINGS WOULD HAVE TO BE ON CIGARET PACKS AND CARTONS BY JAN 1 1965 INSTEAD OF JULY 1 AS PRINTED IN PREVIOUS ITEM

-V-

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JUN 24 1964

ADD- F T C - CIGARETS

M. J. H. 19 R

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WASHN AP- SEN JORDAN D-NC SAID TOBACCO
MANUFACTURERS GROWERS AND WAREHOUSEMEN INFORM-
ED HIM THEY PLAN A PROMPT COURT CHALLENGE OF
THE F T C ORDER

HE AND SEN ERVIN D-N C ARRANGED A
MEETING WITH INDUSTRY LEADERS FOR THIS
AFTERNOON

-WE ARE GOING TO USE SEVERAL APPROACHES IN
GETTING THE ORDER SET ASIDE INCLUDING THE
FEDERAL COURTS CONGRESS AND THE EXECUTIVE
BRANCH OF THE GOVERNMENT- JORDAN SAID
-V-

ADD- F T C - CIGARETS

WASHN -DJ- THE COMMISSION SAID IT DESIRES
NEITHER TO INFLICT ECONOMIC INJURY ON THE
CIGARET INDUSTRY NOR TO INVOLVE MEMBERS OF
THE INDUSTRY IN CEASE-AND-DESIST ORDER PROCED-
INGS - IT SAID IT WOULD WELCOME VOLUNTARY
COMPLIANCE THAT WOULD OBTIATE THE NEED FOR
FORMAL ENFORCEMENT PROCEEDINGS OR SANCTIONS

THOUGH NOT DISSSENTING FROM THE COMMISSION-S
RULING COMMISSIONER A EVERETTE MACINTYRE
FAVORED A UNIFORM JULY 1 1965 DATE ON WHICH
BOTH LABELING AND ADVERTISING WOULD HAVE TO
MEET THE F T C-S STANDARDS
-V-