

U.S. TO REQUIRE HEALTH WARNING FOR CIGARETTES

Trade Commission Orders
That Package Labels Tell
of Danger of Cancer

RULE EFFECTIVE JAN. 1

Advertising Curb May Also
Be Included in Regulation
—Tobacco Stocks Drop

By EILEEN SHANAHAN
Special to The New York Times

WASHINGTON, June 24—The Federal Trade Commission announced today that it would require cigarette packages to carry a warning that cigarette smoking is dangerous to health.

The statement will be required on all packs, boxes and cartons of cigarettes sold, beginning next Jan. 1.

The exact language of the cautionary statement will be left up to cigarette manufacturers. They will be required to state "clearly and prominently" that cigarette smoking "may cause death from cancer and other diseases."

A similar warning will be required in all cigarette advertising beginning July 1, 1965, under the terms of a regulation issued today by the commission.

The requirement involving cigarette advertising could be abandoned or postponed, however, the commission said, if the tobacco industry can convince it before the middle of next year that such a warning has become unnecessary.

House Panel Hears Dixon

The circumstances under which the commission would abandon its requirement that cigarette advertisements contain the health warning were not made entirely clear in the announcement. It was indicated, however, that one prerequisite might be that the industry itself participate in campaigns to educate the public concerning the dangers of cigarette smoking.

Changes in the content of cigarette advertisements would clearly be required.

[Prices of tobacco issues took moderate to sharp losses Wednesday on the New York Stock Exchange. Liggett & Myers and Philip Morris were hardest hit, both off 1½. Details on Page 45.]

The commission's decision that the absence of a health warning on cigarette labels was unfair and misleading was based on the findings of a special committee formed by the Surgeon General of the Public Health Service, Dr. Luther L. Terry.

That committee, after reviewing many studies of smoking and health made in recent years, concluded that "smoking is a health hazard of sufficient importance in the United States to warrant appropriate remedial action." The report also found that lung cancer and some respiratory ailments were caused by cigarette smoking.

Paul Rand Dixon, the commission chairman, announced in testimony before the House Interstate Commerce Committee today that the commission had decided to go ahead with its plans to require the health warnings. The text of the commission's proposed rule and a 188-page report, supporting its conclusion that the new rule was necessary, were made public later.

Mr. Dixon told the committee he had no doubt that the commission had the authority to impose the cigarette regulations. Tobacco industry spokesmen indicated, however, that they would immediately challenge this point in the courts.

The commission's rules were first proposed in somewhat different form in January. Its decision to go ahead with the rule caught the industry by surprise, however, and no formal announcements concerning plans for a legal challenge were made immediately.

Gov. Terry Sanford of North Carolina announced that his state would participate in any court action that was taken in the case.

North Carolina's two Senators, Sam J. Ervin Jr. and B. Everett Jordan, both Democrats, said that tobacco growers and cigarette manufacturers had informed them they planned an immediate court test of the commission's regulations.

The Senators said that they would themselves sponsor Congressional action to prohibit the commission from putting its rules into effect should the court test fail and should they be unsuccessful in an attempt to get the Administration to withdraw the regulation.

The Federal Trade Commission, as an independent agency, is not directly subject to the policies of any Administration. However, White House pressure has successfully been exerted on many of these agencies in the past.

The commission's rules, in contrast to the proposal it originally made, do not attempt to limit in any way the affirmative claims that are made in cigarette advertisements.

The commission said that it had dropped this part of its proposed regulation, temporarily at least, because of the industry's plans to act voluntarily to end appeals to young people and other "undesirable practices."

The industry recently named Robert B. Meyner, former Governor of New Jersey, as administrator of its voluntary advertising code. It has received Justice Department assurances

that cigarette companies would not be subject to criminal anti-trust prosecution for adhering to this code.

The commission's report would require cigarette manufacturers, however, that the commission would "maintain a close surveillance" of the industry's behavior under the voluntary advertising code.

The commission noted that it was not prescribing the precise language of the warning it will require on cigarette packs and cartons. It said it would hold itself available for consultation with the industry and would give advance approval to warning phrases if found acceptable.

While the words "death" and "cancer" do not have to be used, under the commission's rule, Mr. Dixon conceded that he knew of no adequate substitutes.

If the industry, as expected, goes into court to ask that the rule be prohibited from going into effect while the legal power of the commission is tested, the litigation might take up to four years, Mr. Dixon said.

The commission's decision to go ahead with the rule now was made by a 3-to-1 vote. Commissioner A. Everett MacIntyre said that he would have postponed the effective date of the labeling order, as well as other portions of the rule, until July 1, 1965, and would have acted only after giving the industry opportunity to undertake a labeling program voluntarily.

Members of the commission who voted to adopt the rule, in addition to Mr. Dixon, were Philip Elman and John R. Kelly.

A. M. A. Sees Health Hazard

Special to The New York Times

SAN FRANCISCO, June 24—The House of Delegates of the American Medical Association passed a resolution today affirming that the association "is on record and does recognize a significant relationship between cigarette smoking and the incidence of lung cancer and certain other diseases, and that cigarette smoking is a serious health hazard."

The resolution, passed without discussion, also declared that the A.M.A. pamphlet "Smoking: Facts You Should Know" required modification in the light of accumulating knowledge. The pamphlet, issued in May, has been criticized for not taking a strong enough stand on the smoking and health issue.

The tobacco industry reserved comment yesterday on the Federal Trade Commission ruling on cigarette hazards.

The Advertising Federation of America made public yesterday a letter to Congress opposing requirements of a warning in advertising that cigarette smoking is a health hazard.