



CABLE ADDRESS:
POWHATTAN

The American Tobacco Company

A DIVISION OF AMERICAN BRANCO, INC.

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ADDRESS REPLY TO:
RESEARCH AND DEVELOPMENT
THE AMERICAN TOBACCO COMPANY
P. O. BOX 898
HOPEWELL, VA. 23860

October 19, 1983

Mr. J. C. S. Mason
General Manager, Development
Gallaher Limited
65 Kingsway
London WC2B 6TG
England

Dear John:

Attached is further reference to the Brown & Williamson Barclay suit from Advertising Age. Judge Gesell's decision has been released with the following conclusion: "The court finds that B&W's current advertising claim that Barclay is '1 mg tar' is deceptive. The FTC has failed to show, however, that the '99% tar free' claim unaccompanied by the '1 mg tar' claim is also deceptive. B&W must be permanently enjoined from promoting its Barclay cigarettes by advertising, package layout or other means with any claim of a specific milligram tar content rating unless such rating is approved by the FTC and derived using a test methodology approved by the FTC for measuring Barclay."

B&W is thus free to advertise Barclay as containing 3 to 7 mg 'tar,' the estimate which the FTC currently accepts. B&W is under no obligation to use the FTC estimate, however, as the FTC has made no showing of the need for "corrective advertising."

Will keep you posted on further moves in this chess game.

Sincerely,

R. S. Sprinkle, III
Vice President -
Research and Development

ODL
Attachment

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