



Corporate Affairs
120 Park Avenue
New York, New York 10017
(212) 880-5000
FAX (212) 907-5361

NEWS RELEASE

CONTACT: 212-907-5830

PHILIP MORRIS U.S.A. CALLS FOR FEDERAL LEGISLATION TO STOP UNDERAGE SMOKING

COMPANY OUTLINES COMPREHENSIVE BLUEPRINT FOR IMMEDIATE ACTION

NEW YORK, May 15, 1996 — Philip Morris U.S.A., the domestic tobacco subsidiary of Philip Morris Companies Inc., today announced a blueprint for comprehensive federal legislation to address concerns regarding the use of tobacco products by minors and called on Congress to enact it swiftly.

"Everyone agrees that kids shouldn't use tobacco," said Steven Parrish, senior vice president, corporate affairs, Philip Morris Companies Inc. "And all reasonable people agree that adults should be able to smoke or use smokeless tobacco if they want to."

"Last week, President Clinton spoke to a group of high school students in Woodbridge, New Jersey, about tobacco," Parrish said. "The President directed some of his comments to the tobacco industry, saying 'do not stay outside of and apart from this debate.' And he went on to say, 'Join with us. Do the right thing.' We are proposing far-reaching and unprecedented federal legislation on the issue of underage use of tobacco. And we will be actively seeking support for this initiative."

"This initiative builds on our fundamental commitment to the propositions that minors should not use — or even have access to — tobacco products," Parrish said. "Anyone who violates these principles should feel the full weight of the law."

"A federal law makes sense because it can be implemented quickly, avoiding protracted litigation over the Food and Drug Administration's illegal attempt to regulate tobacco products," Parrish said.

"The President has said that we have a right to market our products to adults. He has also said he would welcome Congressional action instead of waiting for a long, complicated, contentious regulatory proceeding or years of litigation. Let me quote the President directly, '... if they would rather have a law than federal regulation, the FDA Director, Dr. Kessler, and I would rather have an immediate impact on teen smoking, not two years of litigation and then start the work'.

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