

FOR IMMEDIATE RELEASE
Wednesday, January 20, 1999

Contact: Steve Duchesne
202/739-0245

Leading U.S. Tobacco Companies Respond
To President Clinton's State of the Union Address

WASHINGTON, D.C. -- The following statement was issued today by Philip Morris, Incorporated; R.J. Reynolds Tobacco Company; Brown & Williamson Tobacco Corporation; and the Lorillard Tobacco Company:

"In April 1997, the Justice Department said 'Medicare and Medicaid statutes do not provide explicit authority for the federal government' to sue tobacco companies. The relevant laws have not changed, and not until last night, during a political speech, did anyone in the Administration publicly suggest such authority exists. Now, the President has ordered the Justice Department to reverse course and concoct a legal basis for this case. It may be good politics to continue a witch hunt against a legal industry. But it remains bad law. The industry will vigorously defend itself against this entirely political lawsuit."

###

52858 7435