6/30
Madison

Judge - Stevens
Ted Braun
Wade
Dowdell
Bryant
Bowling - Alex
Haas - Green
Royster
O'Flaherty
Hetsko

Mt
Tob Tax Council
Jack Beatty & Assoc
Comm - Judge, Ch
Bowling
Haas
Wade
Yeaman
Kornegay
Royster
Beatty - Ex Officio

Coordina
avoidance duplica
Expense, etc

1) add repressive or punitive leg.

Royste TTC org 1949 - farm orp, whs assoc, dealers, ~~[illegible]~~ mfrs.
O Fl 1956 - became Exec 1961.
Council never been suff staffed or financed to do job well.
TTC asked for more support years ago & was refused (1965).
Take pilot groups of states (10) & get lobbyist in each & gear up

Exec. Comm.
Royster
Al Clay
R. W. Norris (PU)
Snodgrass
Carl Hicks (Treas, Tob Assoc)
Malcolm Sewell (Atty)
Brooks George
Malcolm Fleisher (T
John Palmer

LG 2015145

2

6/30

O'Flaherty

1965 - SG Rpt
- NY 10¢ (highest 8¢)

1971 - ave will be 12.7¢
1975 - " " " 18.6¢

11 states increased 1971 - ave 4¢

Taxes re per capita consumption
4¢
8¢ -
12¢ - severe dips
+5¢ severe & no recover
vending

Has affected ~~per cap~~
domestic consumption - won't
get 3.6% increase (normal) up to 170

By 1975 - cum loss
68 billion loss of tax trend
continues.

Transpose to $ loss.
(before adv cost & income tax)
Assumes ave profit $2.50 per M

LG 2015146

3.

By 1975 = $171.3 million
(L+M $10.8 M).
RTR – $56.3 M.
Cum losses – 5 yrs –
$510.1 M. (assuming volume flat).
If assume 3.6%
increase – cum loss
$886. M

Have tried to increase relas with
State Tob. Admrs
Uniform laws.
N.C. – 2¢, not 5¢ (Tom White Lobbyist
Successful in Va.
NYC – Tiny got Rock. study.
– walkout
Calif –
Fla – 4¢ down to 2¢
BAD
Nebraska (unicameral). – 2 renegades
Texas
PLANS
NY, Ill, Fla, Texas &
Calif – bellweather states,
dictate what happens in
neighboring states.

6/30 4.

SPEND

$395M NE
1800 SE
180 SW
175 - W
250 - Mid W.

$1.2 Million need independent regional lobbyists in each state where needed
help assns.
can't rely on part time help for full time problem.

Contingency Fund for Special Projects
- like Va
- handouts, etc

$300,000

Augment Staff - 4 in field
1 econ
1 stat
2 secys
cost ~~now~~ + $200,000
now 300
500.

printing
travel, etc.
telephone
communications
CCH services

+1 fieldman (1 per area)
+2 secys
replace econ
+1 writer

$2,000,000

N.J., Pa., ~~Calif~~ mass. - assns no good
- Want discount.

LG 2015148

5.

6/30

Ask for 4 year commitment.

Beer, whiskey, gas people are strong - we have nothing to give them. They go for ↑ cig taxes to save themselves. "Were on outside looking in."

Bill has seen no effect of Beatty effort & NATD policy. Beaty was to increase effect + education of jobber (discount attitude). Beef up support on local level.

Inst - repressive leg
TTC - taxes

To have same lobbyist represent our interests in tax + health would be disastrous. Tax - self interest economically.

TTC budget $300,000 - has been for 5-6 yr (10% + 3 years ago).

6/30 6.

Jack Beaty
Jerry Cameron

FPA - Should have plans of action everywhere?

Appears to want to operate apart from O'Fl - wants to fight on grass roots basis. (Retracts)
Stay away from Cong or state punitive legisl unless invited.
Will work whole-heartedly with any organization.

Something appears to be lacking in communication, as Faran Beaty is concerned. Wants to stay out of lobbying by TTC. Recognizes TTC uses Di Mio (Conn) too.

$61.9 million in discounts 1970.

Distributors are beginning to think about tax hikes aside from discounts.

Have to give them something you can take away?

Nebraska - Jerry Carpenter + Gene Mahoney + Head of State Assn + ind lobbyist both voted for hike + to override veto.

Objective should also be to list Cong who have personal acquaintances in industry.

High on Monroe Lewis in N.J.

LG 2015150

Budget - $150,000.-

PM

Horace, Frank, Blucher, present.

Org Tob Groups is ~~open~~ local pt in each state.
Objective - to Bill Bills when a borning.
Local people often incompetent, uninformed or uneducated.
Then use lobbyist
Have list of ~~pe~~ lobbyists in each state.
Try to avoid personality conflicts, etc.

6 Area leaders - source for lobbyists when needed.

Needs close rela with tob leadership; wrong to get outsiders to intervene.
→ Educa. efforts.

Spent ~~Budget~~ $101,000 1970

No cooperation betw T.I. & T.T.C.
communication

LG 2015151

— Do so in California (Mahoney)

Disagrees can't use same lobbyist.
Arguments ~~for 2 areas~~ v. tax are not appropriate re punitive.

In past few years hasn't asked O'Fl who he uses. Would have if Frank wasn't already set up.
Recognizes need for strong, viable state orgs.

1) Shouldn't we be more closely allied with TTC
2) 3 diff groups — 3 diff dirs — no correlation. Have one man at T.I.?
3) budgets + line of reporting.
4) Beaty was not supposed to get involved in taxes.
5) Beaty working 3 sides of street. Are we nurturing a structure which can turn on us?