

SPECIAL ACCOUNT NO. 4

The following represent present and known future commitments of Special Account No. 4. Expense items relating to matters that have been completed as of this date have not been included.

1. Dr. Domingo Aviado -- Before accepting a position at Allied, Dr. Aviado was paid pursuant to his consultancy agreement. Some arrangement will be worked out with Dr. Aviado to continue his consultancy but the details are not yet known.
2. Dr. Barbara Brown -- Dr. Brown's consultancy agreement has been increased to \$1,500/month in 1978.
3. Professor H. Eysenck -- He has been paid \$14,250 of the \$19,000 authorized for one year, beginning last June 1. The final installment of \$4,750 will be paid on or about March 1, 1978. It is expected that a renewal of the arrangement will be recommended, probably in an amount similar to last year. Additionally, approval is being sought for a project by Professor Eysenck utilizing Gallup interviews, which will cost approximately \$11,500.
4. Dr. Charles D. Spielberger -- Approval will shortly be sought for a research project for Dr. Spielberger in the amount of approximately \$26,000 in the first year and \$34,000 in the second year. This work will be along the lines of Professor Eysenck's research previously done and now going forward.
5. Dr. Charles H. Hine -- Dr. Hine in the past several years has had an arrangement for the review of scientific literature. The last two literature review projects have called for approximately \$28,000/year. Dr. Hine's arrangement is being re-evaluated. Dr. Hine will soon be paid the final installment of his 1976 literature review project.
6. Dr. R. H. Rigdon -- Dr. Rigdon has been paid honoraria from time to time. He is currently working on a public smoking statement for which the compensation for time expended will be approximately \$2,500. He may well perform other consulting services, for which he will be paid appropriately. For example, he was recently paid \$1,000 as an honorarium to compensate him for his time expended in connection with the pathologic aspects of Dr. Rothchild's research.
7. Dr. Carl C. Seltzer -- The consultancy arrangement relates primarily to attendance at scientific meetings and handling specific requests.

8. Dr. L. G. S. Rao -- Dr. Rao has received \$15,000 of the \$25,000 authorized for his approved research projects. The remainder will be paid him in the next few months. Additionally, Dr. Rao occasionally is compensated for consultations, usually in connection with analyses with various sections of the Royal College of Physicians or U.S. Health Service reports. Dr. Rao has recently prepared an analysis of smoking in pregnancy, which may well be the basis of a statement in connection with public smoking questions. It is anticipated that compensation to Dr. Rao in this connection should be approximately \$2,500.

9. Harvard Medical School -- The use of Special Account No. 4 for accounting expenses relating to Dr. Huber's research program has been approved. A payment of \$2,050 was made in this connection last year. It is not known when the next audit expense will be, nor is the amount known, although the past payment may be a guide.

10. Stanford Research Institute -- Approval has been requested for modifications of the existing portable testing unit and for the fabrication of a second unit, in the amount of \$31,000.

11. Industry Research Liaison Committee (Public Smoking Advisory Group) -- Expenses in this connection were approved for payment from Special Account No. 4 when the Group was formed. As a guide to the amount involved, the two most recent accounting periods show payments of approximately \$2,200 and \$3,600.

12. Dr. Walter M. Booker -- A six month consultancy with Dr. Booker is related to the area of public smoking. The monthly commitment is \$1,070 and has been paid through Special Account No. 4. The arrangement is scheduled to terminate in March, 1978, but may be renewed.

13. Approval will be sought very shortly for a special project at the Franklin Institute, to make TGP (so-called tobacco glycoprotein). This material is necessary to do research in connection with the reports of Dr. Becker, who has claimed that this material contains a tobacco smoke allergen. The Franklin Institute project, which will cost about \$50,000, has been developed with the consulting assistance of Dr. Stedman, who is the retired Department of Agriculture's tobacco chemist on whose work Becker relied. Dr. Stedman's consulting expenses in 1978 should be approximately \$5,000.

14. Dr. Edwin Fisher -- He testified at the New Jersey Public Health Council hearing on October 20, 1977. The expense related to his appearance is \$750. Dr. Fisher is presently planning to do some additional research pertinent to the public smoking question, which will commence when TGP has been made available to him and which should cost about \$2,000 in 1978.

15. Dr. Helmut Valentin (Germany) -- Payment of \$4,000 has been approved in connection with facilitating assistance for his review of the literature relating to public smoking and health.

16. Dr. Norman Heimstra -- He has prepared a public smoking statement. Probable hourly charge will be \$50.00.

17. The following are working on public smoking statements. The estimates are that compensation of time for these people will range between \$2,000 and \$3,000.

Dr. Charles Dunlap
Dr. J. Farris
Dr. R. Fisher
Dr. A. Furst
Dr. R. Hickey
Dr. K. Moser
Dr. R. Okun
Dr. C. Seltzer
Dr. T. Sterling

18. There are some 20 to 30 scientists who have been or will be seen in connection with the preparation of public smoking statements. There will doubtless be expenses for compensation for time for many of these people. Testing expenses (for CO, etc.) in connection with public smoking presentations may also be expected.

19. In the near future, it is anticipated that approval will be sought for research proposals from Drs. Hans Weil and Jones in New Orleans, relating to public smoking in workplaces, and from Dr. Roger Bick in Los Angeles, relating to certain aspects of Becker's work and various blood factors. It seems that either or both of these may be suitable as a CTR special project.

20. The immediate past audit (the six months ended 8/31/77) and the next audit (covering the six months ended 2/28/78) will reflect various specific payments, such as those to Dr. Louis A. Soloff in the amount of \$100 and Dr. L. Kupper, in the amount of \$2,250. These compensation expenses occur from time to time in connection with consultations with these scientists relating to questions that arise in various aspects of the smoking and health controversy. While there are no specific commitments other than above listed, it is likely that future periods will reflect payments to these or other scientists similar to those made in the past.

SPECIAL ACCOUNT NO. 4 - FUNDING OF CROHN SUBCOMMITTEE
EXPENSES AND GENERAL REVIEW

At the General Counsel meeting on January 4, 1978, it was agreed that Special Account No. 4 could be used for paying fees and expenses of expert witnesses willing to prepare statements or consult. This was not limited to scientific witnesses. American requested that the California Action Plan not be subsidized through this account. Joe Greer stated that he could not commit his company for any more than it contributed to Special Account No. 4 in 1977. Arthur Stevens indicated that he wanted special clearance on any matter involving overseas activities.

The procedure will be as follows: We have \$10,000 per annum to expend in emergencies when it is not possible to get prior clearance. We should protect this fund by requesting prior clearance in all instances that we know about. In other words, if we expect to talk with a potential witness, there should be a letter to the General Counsel advising of that fact and stating that it is anticipated that a per diem rate for preparation will be agreed upon, etc. Counsel should be advised after specific arrangements are made although this could probably be done from time to time at meetings without the necessity for a followup writing. At least one writing, however, was requested with regard to each and every case (and I assume this would apply even though we used emergency money--in fact, we would want to advise hoping that we could then re-establish our emergency account by obtaining authorization). I advised the Counsel that any writing they received from me would probably not set forth a lot of detail. They said that if they did not understand the letter they would then call me. A deadline for response should be put in each letter. In other words, if we do not hear by such and such a date, we will assume that the matter is agreeable. We need to know that these letters are received in time for consideration to be given and we also need to be sure that the General Counsel or someone will be looking at the matter. This can be handled by reviewing the situation after we try out the first one or two requests.

We will do a "base line report" to the Counsel, in writing probably, re current expenditures and existing commitments.