

THE TOBACCO INSTITUTE, INC.

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MINUTES OF THE FOURTEENTH MEETING OF THE  
BOARD OF DIRECTORS

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The fourteenth meeting of the Board of Directors of  
The Tobacco Institute, Inc., was held at 10:45 A.M. on  
January 30, 1964, at the Waldorf-Astoria Hotel, New York  
City.

The following Directors and Alternate Directors serving  
as Directors at the meeting were present:

Messrs. Martin J. Condon, III  
Morgan J. Cramer  
Joseph F. Cullman, 3rd  
Len J. Dillon  
Edwin P. Finch  
Donald R. Flinterman  
Bowman Gray  
Warren E. Gregg  
Robert K. Heimann  
Thomas W. Holley  
Joseph P. McCauley  
William T. Reed, Jr.  
Zach Toms  
James E. Wood

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There were also present Mr. Cyril F. Hetsko and Miss Janet C.  
Brown, of counsel to The American Tobacco Company; Mr.  
Addison Y. Yeaman of Brown & Williamson Tobacco Corporation;  
Mr. Donald R. McCain of George W. Helme Company; Mr. W. Brooks  
George of Larus & Brother Company, Inc.; Mr. Milton E. Harrington  
of Liggett & Myers Tobacco Co.; Mr. Frederick R. Haas, of counsel

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to Liggett & Myers Tobacco Co.; Mr. J. Edgar Bennett of P. Lorillard Company; Mr. John C. Russell, of counsel to P. Lorillard Company; Messrs. Robert P. Roper, Paul D. Smith and James C. Bowling of Philip Morris Incorporated; Messrs. H. Henry Ramm and Charles B. Wade, Jr., of R. J. Reynolds Tobacco Company; Mr. Thomas H. Crossen of Scotten, Dillon Company; Mr. C. C. Winston of United States Tobacco Company; Mr. Edward G. Kontos, Treasurer of the Institute; Mr. George V. Allen, President and Executive Director of the Institute; Dr. Frank J. Welch, Executive Vice President of the Institute; Mr. J. V. Morrow and Mrs. Dorothy O'Toole of the Institute; Messrs. Richard W. Darrow, Carl Thompson and Edward H. DeHart of Hill and Knowlton, Inc.; and Mr. Stanley L. Temko, of counsel to the Institute.

Mr. Allen acted as Chairman of the meeting and, in the absence of Mr. Ragland, Mr. Temko acted as Secretary and recorded the minutes.

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The meeting was called to order, and the President stated that minutes of the thirteenth meeting of the Board had been circulated. There being no additions or corrections, the reading of the minutes was dispensed with.

It was announced that the first order of business was the election of officers of the Institute to serve until the

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next annual meeting of the Members. Thereupon, on motion duly made and seconded, it was unanimously

RESOLVED, That the following persons be, and they hereby are, re-elected to the offices of the Corporation set after their respective names, to serve until the next annual meeting of the Members of the Corporation and until their successors have been chosen and shall have qualified:

George V. Allen	President
Frank J. Welch	Executive Vice President
Edward F. Ragland	Vice President and Secretary
Edward G. Kontos	Treasurer
Charles Spofato, Jr.	Assistant Treasurer

FURTHER RESOLVED, That the Treasurer shall not be required to give bond for the faithful discharge of his duties, and that the Assistant Treasurer may at the discretion of the Treasurer be required to give bond for the faithful discharge of his duties in such sum and with such security as the Treasurer may from time to time prescribe.

The President announced the resignation of Mr. William S. Cutchins from the Executive Committee and the recommendation that Mr. Edwin P. Finch be appointed to fill the vacancy. Thereupon, upon motion duly made and seconded, it was unanimously

RESOLVED, That Mr. Edwin P. Finch be, and he hereby is, appointed as a member of the Executive Committee to occupy the vacancy resulting from the resignation of Mr. William S. Cutchins.

Mr. Allen reported that Mr. Edward F. Ragland, the Vice President and Secretary of the Institute, had undergone surgery in Washington earlier in the week and would undoubtedly be away

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from his duties for several weeks. The members of the Board expressed their disappointment at Mr. Ragland's being unable to be with them at their meeting and requested Mr. Allen to convey to Mr. Ragland their good wishes and to express the hope that he would soon be back at the Institute offices.

The President then requested the report of the Treasurer. The Treasurer reported that the Institute had, on January 1, 1963, a cash balance of \$77,494.72. Income for the calendar year 1963 totaled \$1,093,146.50. Expenditures for the same period were \$1,079,607.32, leaving a cash balance on December 31, 1963, of \$91,033.90.

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The proposed Institute Budget for 1964 was then considered. Mr. Kontos, as Chairman of the Budget Committee, reported that the Committee had reviewed the "Administrative and General" portion of the budget and had also considered the "Public Relations" portion of the budget. He pointed out that the latter portion of the budget had been reviewed, prior to its consideration by the Budget Committee, by the Public Relations Committee of the Institute, which had concluded that the allocation of costs was reasonable. Mr. Kontos said that the Budget Committee had unanimously recommended the adoption of the budget. There was discussion of various aspects of the budget. Mr. Allen summarized briefly the reasons for changes in the

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"Administrative and General" portion of the Institute budget. Thereupon, upon motion duly made and seconded, it was unanimously

RESOLVED, That the proposed Institute Budget for 1964 be, and hereby is, adopted.

FURTHER RESOLVED, That the Treasurer is authorized to approve any expenditures in excess of any individual budgeted item, with or without the approval of the Executive Committee, Provided: That the Treasurer shall request the approval of the Executive Committee before allowing any expenditure which would result in total "Administrative and General" expenditures in excess of the total amount budgeted under that category or in total "Public Relations Activities" in excess of the total amount budgeted under that category.

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Mr. Kontos then stated that it would be desirable to authorize an additional assessment of dues. He stated that to provide necessary funds to cover expenses until the May meeting of the Board, it would be desirable to have an assessment of 225% of the annual dues of those Members liable for additional assessment, with payment of 100% of the assessment to be requested immediately and payment of the remaining 125% to be made in one or more installments at the discretion of the Treasurer. Thereupon, upon motion duly made and seconded, it was unanimously

RESOLVED, That there should be, and there hereby is, authorized an assessment of additional dues in the amount of 225% of the annual dues of members liable for additional assessment, with payment of 100% to be requested within the next week and the payment of the remaining 125% of

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the assessment to be made in such installments and on such dates as are determined by the Treasurer.

Mr. Allen noted that it would be in order to make some changes in the authorization to sign or countersign checks of the Institute. Thereupon, upon motion duly made and seconded, it was unanimously

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RESOLVED, That, until otherwise ordered, Bankers Trust Company of New York City be, and it hereby is, authorized to make payments from the funds of this Corporation on deposit with it, upon and according to the check of this Corporation, signed by George Venable Allen serving as its President, or by Frank J. Welch serving as its Executive Vice President, or by Edward F. Ragland serving as its Vice President, and countersigned by its Treasurer or Assistant Treasurer, or signed and countersigned by any two of the following Directors:

Messrs. Louis A. Bantle  
Morgan J. Cramer  
Joseph F. Cullman, 3rd  
Zach Toms

Mr. Allen then reported on the activities of the Institute. In his remarks he summarized the developments since the issuance of the Report of the Advisory Committee to the Surgeon General, the reported interest of various Federal agencies in matters relating to smoking and health, Congressional interest and developments, and reactions of press and other media. Mr. Allen summarized briefly the testimony which he had given on the preceding day before the Tobacco Subcommittee of the House Committee on Agriculture.

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At the request of Mr. Allen, Dr. Welch summarized developments in various states relating to tobacco, including the introduction of bills dealing with tobacco in some of the State Legislatures.

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Mr. Bowling, reporting as Chairman of the Public Relations Committee, summarized the work and co-ordination of his Committee with other tobacco industry organizations, and the current plans of his group.

At the request of the President, Mr. Temko reviewed the work of the Committee on Legal Affairs.

The next order of business was the report of public relations counsel to the Institute. Mr. Darrow summarized briefly the treatment by news media of the report of the Surgeon General's Advisory Committee, with particular emphasis on editorial comment.

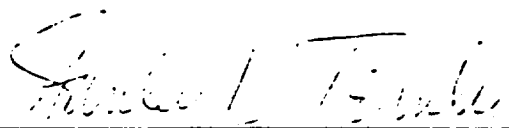
Mr. Gray reported to the Board on the activities of the Executive Committee of the Institute. He summarized developments immediately prior to and after the issue of the Report of the Advisory Committee to the Surgeon General, and also reported on current matters, including the interest of administrative agencies, as well as Congress and some state legislatures, in questions relating to tobacco. He thanked all the members of the Institute for their cooperation during the year.

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Mr. Allen then welcomed to the Meeting Mr. T. V. Hartnett, Dr. C. C. Little, Dr. R. C. Hockett, and Mr. W. T. Hoyt of the Tobacco Industry Research Committee. After introductory comments by Mr. Hartnett, Dr. Little, the Scientific Director of the T.I.R.C., summarized the contents of the Report of the Advisory Committee to the Surgeon General, and commented on some of the subjects discussed in the Report.

There being no further business, the meeting was thereupon adjourned.

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Acting Secretary

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