

MISSOURI
A STATE ANALYSIS

A. Preface

Missouri is, in virtually every sense, a border state. From the standpoints of culture, politics, climate, economy, and geography, Missouri is a transition point from the nation's North and South as well as its East and West. This fact makes the "Show Me State" an interesting study in contrasts. The population of Missouri is approximately five million. Its market share is about 2.2 percent.

There are several opposing economic and political forces in Missouri that combine to make the state as unique socially as it is geographically. These opposing forces make it difficult to "pigeon-hole" as liberal or conservative, industrial or agrarian. Despite this, or perhaps because of it, Missouri is a key state in gauging political and social trends. Its geographical position (it shares borders with seven other states) demands that Missouri be given close attention by any group interested in a national political strategy.

B. State Overview

1. Economic Condition And Outlook

Economic conditions vary considerably from one area of Missouri to another. Urban areas are fairing much better now than in recent years, primarily because of a resurgence of industrial activity. A prime example of this is the now re-activated Chrysler assembly plant in St. Louis County. It was virtually closed only a few years ago. The state's unemployment rate is approximately 5.7 percent compared to a national average of 7.1 percent.

Missouri's large agricultural population, however, is in trouble. As in many other Midwest states, farm foreclosures have risen drastically. Low prices on agricultural products and a high cost of doing business are problems that will continue to pose serious threats to Missouri farmers.

There is little reason to expect that Missouri's economy will improve markedly in the near future. A downturn in the national economy could spell trouble for manufacturing in the state's metropolitan areas and worsen the statewide picture substantially.

2. Political Situation

Missouri is a traditionally Democratic state. Its House and Senate remain under Democratic control, but the state is part

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of the nation's shift to conservatism. This change is illustrated in the fact that all state officers except the lieutenant governor are Republican. Lieutenant Governor Harriett Woods is expected to run for the U.S. Senate in 1986, and her vacated post will be filled by a Republican appointed by Governor John Ashcroft. This appointment will leave the state's leadership more firmly than ever in G.O.P. hands.

It is worthwhile to note that the number of registered Republican voters in the state has climbed considerably. The state Republican party is well-financed, computer equipped, and becoming more and more aggressive. As a consequence, 1986 will be a critical year for Missouri Democrats. At present, they appear to be on the defensive, with the state's Republicans eagerly anticipating further erosion of the legislature's Democratic majority.

3. Significant State Problems

Introduction of excise tax increase proposals should be anticipated in the 1986 legislative session.

As with many other states, Missouri's major concerns are fiscally related. While revenue collection was slightly improved in 1985, no great growth is expected in 1986. This lack of economic growth, accompanied by the probable end of federal revenue sharing next year, has many state officials very worried. Many see the state's tax base continuing to decline. Missouri's population has become the nation's fourth oldest which will surely present problems for the state's health care system in the years ahead.

Progressive state legislators fear that a majority of their colleagues will opt for a "band-aid" solution to the state's anticipated fiscal difficulties, rather than taking a broader approach and revamping the entire state tax structure.

C. Resources: Strengths/Weaknesses

1. Tobacco Segments

Missouri's "Tobacco Family" has proven to be surprisingly cohesive and effective. The elements of this cadre are TI member company personnel, tobacco farmers and warehousemen, tobacco wholesale distributors, and vendors.

The most consistently responsive among these groups probably are the state's member company personnel and tobacco farmers. These two groups can always be expected to follow through with action pertaining to any tobacco-related concern. Wholesale distributors have become an increasingly dependable and

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effective ally in the three years since their state association (Missouri Association of Candy & Tobacco Distributors) reorganized and hired full time staff. Member company personnel and M.A.C.T.D. members also account for the greatest portion of the Institute's "awareness system" in Missouri.

If there is a weak link in Missouri's chain of tobacco activists, it would be the vending segment. This is true primarily because the vendors' state association (M.A.M.A.) is a rather loose-knit, inactive group. Nevertheless, many individual vendors in the state are very dependable and aggressive activists.

2. Business

Missouri's two major business-related organizations, the State Chamber of Commerce and Associated Industries of Missouri, while perhaps supportive, are not active allies of the tobacco industry. As a rule, the Chamber and A.I.M. legislative platforms are in basic accord with TI positions, but neither organization can be expected to take a public position on an issue concerning only tobacco. Despite this, individual officers and staff members of both groups have frequently been helpful in legislative tracking and "behind the scenes" lobbying.

The Institute has enjoyed cooperation on tobacco-related legislation from many industries and trade associations. Among these are the Missouri Restaurant Association, Missouri Retailers Association, Missouri Hotel/Motel Association, the Seven-Up Corporation, Seven-Eleven Stores, King Louie Corporation, and many others. Experience has shown that the elements of a coalition involved with a tobacco-related matter will vary with the nature of the issue and the location concerned. For example, the Missouri Restaurant Association is a tremendous ally against smoking restriction legislation, but is not at all concerned over proposals to increase cigarette taxes.

3. Labor

Many good personal relationships exist between TI and elements of organized labor in Missouri. These relationships have occasionally have been very helpful in fighting anti-tobacco legislation. However, it is unlikely that labor in Missouri will take many formal, public positions on tobacco-related issues. The major reason for this is labor's sensitivity to the fact that some of TI's member companies are not unionized.

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4. Fire Groups

The Kansas City and St. Louis fire departments and firefighter associations are strong lobbies in the Missouri state legislature...salaries for firefighters in these two cities are set by the state legislature. As a result, firefighters have lobbied legislators regularly through the years, and good relationships have developed.

The Institute's program of assistance to fire departments has helped strengthen personal relationships with firefighter lobbyists. It is probably unrealistic to expect Missouri firefighters to become directly involved in issues such as cigarette excise taxes or smoking restrictions. But firefighters may be reluctant to become active proponents of any ill-conceived "fire-safe" cigarette legislation.

D. Anti-Tobacco Forces

While most of the traditional anti-tobacco groups exist in Missouri, no well-organized statewide coalition has been formed. A "Coalition on Smoking Or Health," headquartered in St. Louis County, was formed two years ago, but has been largely inactive.

Lung Association affiliates have often been at the center of local anti-smoking efforts, even though they frequently work behind the scenes in favor of GASP-like local groups. The ALA is not nearly as visible at the state level as has been the American Cancer Society. The ACS retains legislative counsel and has lobbied unsuccessfully for ten years for the passage of a statewide clean indoor air act.

E. Tobacco Industry

1. Brief History of Successes and Problems

Local smoking restriction legislation has not been a major problem to this point in Missouri. Anti-smoking groups in three cities (Columbia, Kansas City, and Clayton) have attempted passage of smoking control laws, but have been unsuccessful.

There has been limited success in fighting excise taxes in Missouri. The state legislature increased the state's cigarette tax from 9 to 13-cents per pack in 1981. The legislature passed another increase in 1985, contingent upon a federal tax reduction. All other attempts to increase

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Missouri's cigarette tax in the past five years have been unsuccessful.

Missouri municipalities have statutory authority to levy excise taxes on cigarettes. In 1984, 118 cities in the state taxed cigarettes, with rates ranging from 2 to 10-cents per pack. In addition, Missouri counties of the first class (St. Louis, Jackson, Clay and Greene) may levy cigarette taxes. Of these, only St. Louis and Jackson counties levy a tax, both of which are 5-cents per pack. Local tax increases have proven very difficult to stop. Advance information on such measures is often difficult to obtain and cigarette tax hikes usually enjoy good support from the electorate.

2. Major Issues -- State and Local

Fiscal concerns are foremost in the minds of state and local legislators in Missouri. The Reagan administration's "New Federalism" is placing an increasing burden on state and local government to provide necessary services, while reducing financial assistance from the Federal government. In 1986, the State of Missouri and Missouri cities will face some serious financial problems, which will result in consideration of a wide variety of "tax packages." The tobacco industry undoubtedly will be involved in these issues.

3. Outlook

Preventing passage of an increase in Missouri's cigarette tax will be the most severe challenge. With neighboring Kansas and Iowa having recently increased their taxing rates to 24-cents and 26-cents per pack, respectively, Missouri's 13-cent rate is comparatively low. In addition, it now appears that the state will receive no new revenue from the federal contingency tax increase passed in 1985. This makes introduction and passage of a tax increase more likely than ever in 1986.

Cigarette tax increases in Missouri's counties of the first class and municipalities also will be difficult to stop in 1986. St. Louis County officials have indicated they will seek statutory authorization to increase their county's tax from 5 to 10-cents per pack. In addition, many cities can be expected to attempt increases in their cigarette tax rate to help offset anticipated fiscal problems.

Continued success against "clean indoor air" legislation at the state level is expected. The Institute's legislative counsel in Missouri has been very adept in dealing with this threat in the past; and anti-smoking groups show little sign of strengthening as a lobby in the state capitol. On the other hand, increased activity by anti-smoking activists at the local

level is quite likely, and could pose a more serious threat. Efforts to pass smoking control laws should be expected in a number of Missouri cities. Likely candidates are St. Louis, Kansas City, Columbia, and Springfield. Success against these proposed ordinances will require constant monitoring by the tobacco family and close cooperation with traditional allies and coalition members.

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