

THE TOBACCO INSTITUTE

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February 8, 1989

David Greenberg
Philip Morris
1875 Eye Street, NW
Suite 500
Washington, DC 20006

Dear David:

Sam asked me to touch base with you in advance of your Thursday meeting with Lane Kirkland. I've taken the liberty of putting a few ideas to paper; please feel free to call me should you have any questions.

For our labor efforts, we view Kirkland as an audience who must be persuaded on our issues. In this regard, he is no different from any Congressman.

His constituents on these issues, and on any other issue, are the unions. It is they -- not industry -- who have persuaded him to be supportive on tax and indoor air quality issues.

Kirkland's number one constituent on tobacco is John DeConcini, president of the Bakery, Confectionery & Tobacco Workers International Union. Kirkland has been responsive because DeConcini has let it be known that these are issues that matter to him.

It is absolutely essential that DeConcini know of this meeting -- in advance. To do otherwise could seriously damage our relationship with DeConcini on all of our issues.

The best means of notifying DeConcini would be through standard labor-management channels at Philip Morris. In the past that's been Fred Laux in New York, who will deal either with the industry vice president for the tobacco sector, or directly with the officers at BC&T headquarters. These are the channels established for such communication.

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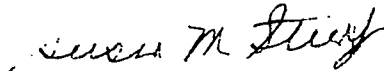
If it is possible, DeConcini should be invited to sit in on the meeting.

As to possible topics for discussion, we would ask that you steer clear of mention of such labor support groups at Citizens for Tax Justice. Labor in general -- and Kirkland especially -- is always uneasy about corporate America becoming involved with labor support groups. Similarly, debate surrounding labor's involvement in the Council on Competitiveness report is an internal federation matter.

If in the tax arena, Philip Morris can say that it has made a decision as a company to support progressive tax policies -- as the industry has done as a whole in the past -- that is an area that could prove helpful.

I'll be happy to answer any questions you might have.

Cordially,



Susan M. Stuntz

cc: Samuel D. Chilcote, Jr.