


July 7, 1988

TO: Mr. Dolph W. von Arx
Mr. W. G. Champion Mitchell
Mr. Gene Ainsworth

FROM: Roger L. Mazingo 

SUBJECT: California Tax Initiative Meeting - July 6, 1988
Tobacco Institute Board Room, Washington

I am pleased to report the California Tax Initiative Campaign Team is now properly organized and directed to deal with Proposition 99. Serious concerns over media strategy, production quality, and overall management prompted the hiring of a new media director and a reexamination of overall strategy. All aspects of the campaign were addressed during the meeting. The following items are those of most immediate interest:

1. Roger Ailes, a nationally recognized candidate and issue media professional, has replaced Hal Larson as media director. In addition to working with the tobacco industry, Ailes is director of Bush for President media operations. The campaign strategy team is now researching and will fully develop three basic messages:

- police burden/crime increases
- tax money into doctors' pockets
- government interference/fairness

How we address the doctors issue is obviously sensitive; thus, our approach will have to be carefully positioned.

2. A multiple-message approach has been designed to convey the campaign themes. This includes: (% of budget)

- paid advertising, including radio, television, billboards, and ethnic newspapers (85.7)
- targeted direct mail (5.6)
- an aggressive field program, including coalition-building activities and speakers bureau (2.3)
- press relations and communications program (1.4)
- management, legal, research, other (5.0)

Additionally, RJRT will be executing a comprehensive direct smoker contact program in California. This program will include organizational efforts, voter registration, get out the vote, etc.

3. The industry's campaign budget is set at \$13.7 million. I understand that Sam Chilcote presented and the TI Executive Committee approved budget. The RJRT share is 42%.

Current estimates are that proponents will have a budget of about \$2 million.

4. Proponents launched their campaign in support of Proposition 99 yesterday. As expected, their opening salvo attempts to portray the tobacco industry as deceptive and evil - a "good doctor" vs. "bad tobacco industry" campaign. The attached clipping is representative of press play around the state.

Please let me know if you need more detail or backup material on any of the above.

RLM:cb

bcc: Mr. Tom Ogburn

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