

# THE TOBACCO INSTITUTE

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SAMUEL D. CHILCOTE, JR.  
President

August 27, 1987

Mr. Thomas C. Hays  
Chairman & Chief Executive Officer  
The American Tobacco Company  
6 Stanford Forum  
Stanford, Connecticut 06904

Dear Tom:

I want to thank you for your hospitality this past Tuesday and for the opportunity for Frank Resnik and me to meet with you, Charlie Mullen, and Paul Randour.

Frank and I are gratified to know you share our immense concern over the growing number of legislative and regulatory attempts to curtail the manufacture, promotion, and sale of tobacco products. Those of us who have participated actively in The Institute have learned that our unity and collective determination are the most important elements of our overwhelming success over the years.

It will be very important in the future to have the advice and counsel of you and your company participating fully in the consideration of industry positions and strategy. We have spoken to the members of the Executive Committee and they join us in inviting The American Tobacco Company to become a member of The Tobacco Institute.

As I mentioned last week, our Executive Committee meets every other month, and our annual meeting is held in December. Enclosed is a copy of The Institute's By-Laws.

Our financial activities are covered through the annual budget and American Tobacco's financial contributions over the years have been much appreciated. Just as in your company, we are concerned about our stewardship and continually review operations to contain costs. Our 1987 budget was originally approved at \$31.6 million and your share would have been approximately \$2.3 million.

If you would like any additional information, please let me know. Tom, I personally would like to have American as a full

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partner. I feel that you, Charlie, and Paul would find membership to be a stimulating and productive investment, and I look forward to your response.

Best personal regards.

Sincerely,

Samuel D. Chilcote, Jr.

Enclosure

SDC/pmm