

November 26, 1954

MEMORANDUM TO: Mr. Timothy V. Hartnett

FROM: John W. Hill

RE: Proposed Budget for 1955

Attached are budget estimates for operations of the Tobacco Industry Research Committee during the calendar year 1955. The budget for public information activities reflects the increased activities made necessary by growing press interest in the subject of tobacco and health as well as additional efforts to get the industry's case before the public.

The budget for staff operations provides for the use of all or part of the time of 35 different staff members of Hill and Knowlton, Inc. This compares with a total of 23 people, full or part-time, provided for in the Tobacco Industry Research Committee budget as revised on June 30, 1954.

The staff budget provides for one additional staff member to assist on science writing, editorial research and coverage of scientific and medical meetings. Informational assistance to other organizations interested in helping with the public education program is reflected in the budget for field offices and in increased provision for travel expenses.

The budget for Printing, Booklets, etc. is shown at \$70,000. This covers three large-volume items, the first of them being a booklet describing the research program of the Tobacco Industry Research Committee. This would be published in quantities of 200,000 in order to cover all doctors, science writers, editors and editorial writers and to provide a quantity available for distribution at booths at medical and scientific meetings.

The Booklet budget also provides for a question-and-answer booklet, quantity 100,000, to be distributed to medical, scientific, editorial and other groups. This would cover the subject of tobacco and health more broadly, giving perspective on the present controversy.

The third item is provision for a wide mailing of at least one reprint of an important and helpful article such as the Leonard Engel piece in the December issue of HARPER'S Magazine, which is covered under the estimated expenses for 1954. The reprint to be mailed in 1955 has not yet been selected, of course.

In addition, you will note that there are additional recommended projects. The first item is \$250,000 for one nation-wide advertisement reporting to the public at the end of TIRC's first year. The second provision is for two additional

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booklets and another mailing of a magazine reprint. This allocation of \$57,000 would cover the preparation and mailing of an up-dated scientific perspective presenting some of the excellent medical and scientific information of a helpful nature which has become available in the past eight months, and a more limited booklet based on favorable editorial attention to tobacco and health. The reprint budget allocation would be used to give wider visibility to another article of specific value to TIRC's objectives.

I believe you are generally familiar with these details and other items of the budget as proposed. Please let us know if you need anything further from us.

Kind regards.

John W. Hill

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Tobacco Industry Research Committee

Proposed Budget Year 1955

	1954 <u>Budget</u>	Estimated Expenditures <u>Year 1955</u>
<u>Scientific Advisory Board</u>		
Research grants	\$ 500,000.	\$ 500,000.
Salary-Director & Ass't	18,000.	38,000.
Per diem allowances & expenses	20,000.	20,000.
Statistician	40,000.	8,500.
Total	<u>\$ 578,000.</u>	<u>\$ 566,500.</u>
<u>I.I.R.C. Administration</u>		
Salary-Chairmen	\$ 15,000.	\$ 30,000.
Expenses - Chairman	7,500.	15,000.
Salary-Executive Secretary	30,400.	27,400.
Expenses - Executive Secretary	2,400.	5,000.
Secretarial Salaries	10,800.	10,800.
Total	<u>\$ 66,100.</u>	<u>\$ 88,200.</u>
<u>Furniture & Equipment</u>	<u>\$ 10,000.</u>	<u>\$ 2,000.</u>
<u>I.I.R.C. General</u>		
Rent Suite 5320	\$ 4,750.	\$ 9,500.
Telephone & Telegraph	4,200.	4,500.
Messenger Service	2,400.	2,400.
Postage & Express	1,800.	2,200.
Stationery & office supplies	1,200.	2,400.
Travel & Entertainment	500.	500.
Photostats, mimeo, etc.	-	2,400.
Printing, booklets, reprints, etc.	47,500.	70,000. *
European Information	12,000.	12,000.
Miscellaneous	1,000.	1,000.
Total	<u>\$ 75,350.</u>	<u>\$ 106,900.</u>
<u>Industry Technical Committee</u>		
Traveling Expenses)		
Luncheons)	\$ 400.	\$)
Member companies expense	1,500.) 5,000.
Treasurer's direct payments	2,667.)
Total	<u>\$ 4,567.</u>	<u>\$ 5,000.</u>

* (Detail Attached)

	1954 Budget	Estimated Expenditures Year 1955
<u>Hill & Knowlton, Inc.</u>		
<u>Staff Charges</u>		
Public Relations Coordinator	\$ 30,600.	\$ 37,950.
Editorial Research - writer	24,000.	26,400.
Staff Ass't	9,600.	11,550.
Science Writer & P/R Ass't	20,200.	21,450.
Other NY Staff - Part Time	-	5,760.
Secretaries	12,660.	12,800.
Total	<u>\$ 97,060.</u>	<u>\$ 122,910.</u>
Publicity Dept.	\$ 32,415	\$ 21,960.
Field Offices	20,900.	31,015.
Art Dept.	1,860.	5,440.
Stone & Misc.	13,380.	15,500.
Total	<u>\$ 68,555.</u>	<u>\$ 73,915.</u>
	\$ 165,615.	\$ 196,825.
Staff Time Adj. on Advtg.	(6,000.)	-
Total H & K Staff	<u>\$ 159,615.</u>	<u>\$ 196,825.</u>
<u>Out-of-Pocket Expenses</u>		
Travel Expense	\$ 9,000.	\$ 15,000.
Press & broadcast releases & conf.	7,500.	7,500.
Press clippings & reprints	1,200.	1,200.
Misc. publications & news	750.	750.
Translation Serv. & temp. help, incl. outside writers & consultants	500.	6,000.
Misc. local expense	1,200.	2,125.
Total	<u>\$ 20,150.</u>	<u>\$ 32,575.</u>
Fee	<u>\$ 60,000.</u>	<u>\$ 60,000.</u>
Total Hill & Knowlton, Inc.	<u>\$ 239,765.</u>	<u>\$ 289,400.</u>
Contingencies	<u>\$ 2,218.</u>	<u>\$ 35,000.</u>
Sub-Total	<u>\$ 976,000.</u>	<u>\$1,093,000.</u>
<u>Additional Recommended Projects</u>		
Advertising	\$ 254,000.	\$ 250,000.
Additional Booklets & Reprints	-	57,000. *
Total	<u>\$ 254,000.</u>	<u>\$ 307,000.</u>
<u>Grand Total</u>	<u>\$1,230,000.</u>	<u>\$1,400,000.</u>

* (Detail Attached)

TOBACCO INDUSTRY RESEARCH COMMITTEE
 Budget vs. Expenditures & Commitments
 December 31, 1954

	<u>Budget</u>	<u>Total Expenditures & Commitments To 12/31/54</u>	<u>Balance Unexpended</u>
Scientific Advisory Board	\$ 578,000.	\$314,448.	\$263,552.
TIRC Administration	66,100.	62,786.	3,314.
Furniture & Equipment	10,000.	6,598.	3,402.
TIRC General	75,350.	82,088.	(6,738.)
Industry Technical Committee	4,567.	4,276.	291.
Hill and Knowlton, Inc.			
Staff charges & out-of-pocket expenses	179,765.	163,994.	15,771.
<i>Fee</i>	60,000.	60,000.	-
Advertising	254,000.	253,961.	39.
Contingencies	<u>2,218.</u>	<u>-</u>	<u>2,218.</u>
<u>Grand Total</u>	<u>\$1,230,000.</u>	<u>\$948,151.</u>	<u>\$281,849.</u>

Total Expenditures, 1954	\$740,003.
Grants approved but unpaid, 1954	156,268.
December expenses paid in January, 1955	<u>51,880.</u>
Total as above	<u>\$948,151.</u>