

TOBACCO DISTRIBUTORS

JULY 12, 1989

IT IS A PLEASURE TO BE WITH A GROUP THAT
REPRESENTS THE BACKBONE OF AMERICA -- SMALL
BUSINESS.

THE NATIONAL ASSOCIATION OF TOBACCO
DISTRIBUTORS IS A COLLECTION OF BUSINESS MEN AND
WOMEN OPERATING IN NEIGHBORHOODS IN ALL 50
STATES, CONDUCTING BUSINESS IN IN CORNER
GROCERY STORES AND MARKETS AND CONVENIENCE
STORES.

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SO, IT IS A PLEASURE TO BE WITH THIS GROUP,
WHICH IS PROBABLY AS CLOSE TO THE AMERICAN
PEOPLE AS ANY ORGANIZATION WHICH WILL MEET IN
WASHINGTON THIS YEAR.

A FEW DAYS AGO, I WAS INTERVIEWED BY NBC NEWS
FOR A SEGMENT ON THE PROGRESS -- OR LACK
THEREOF -- OF THE 101ST CONGRESS. IT WAS
SUPPOSED TO BE AIRED MONDAY NIGHT, BUT I
UNDERSTAND IT WAS BUMPED BY THE PRESIDENT'S TRIP
TO POLAND AND NEWS

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THAT THE NEW B2 STEALTH BOMBER WAS ABLE TO TAXI
DOWN A RUNWAY WITHOUT BEING DETECTED BY SOVIET
RADAR. WE DON'T KNOW IF IT WILL FLY, BUT I
UNDERSTAND IT TAXIS JUST FINE.

BUT MANY SAY THE CONGRESS IS OFF TO A SLOW
START. WITH A NEW PRESIDENT AND ADMINISTRATION,
NEW MAJORITY LEADER IN THE SENATE, ETHICS
TROUBLES IN THE HOUSE WHICH LED TO A NEW LINEUP
IN THE DEMOCRATIC LEADERSHIP THERE, SPEED IN
LEGISLATION IS PROBABLY NOT LIKELY.

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LABOR ISSUES

THAT MAY BE GOOD NEWS TO SMALL BUSINESSES.

THE DEMOCRATS STARTED THE YEAR WITH AN AGENDA

TO RAISE THE MINIMUM WAGE TO \$4.65 PER HOUR,

REQUIRE EMPLOYERS TO PROVIDE PARENTAL AND

MEDICAL LEAVE, PROHIBIT SO-CALLED DOUBLE

BREASTING BY EMPLOYERS OWNING BOTH UNION AND

OPEN SHOP BUSINESSES, REQUIRE MEDICAL

INSURANCE BE OFFERED BY ALL EMPLOYERS TO ALL

EMPLOYEES, AND OTHER SEEMLY UNENDING

"MANDATED BENEFITS."

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SO FAR WE HAVE BEEN SUCCESSFUL IN KEEPING
THE LIBERALS FROM RUNNING YOUR BUSINESSES --
RUNNING THEM INTO THE GROUND. BUT THE FIGHT IS
NOW JUST BEGINNING.

BUDGET

ONE REASON WE DON'T SEEM TO BE DOING AS
MUCH AS IN PAST YEARS IS THAT THE MONEY TREE IS
BECOMING DORMANT. THERE IS NOW COMMON

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UNDERSTANDING THAT WE DO NOT HAVE ENDLESS
SUPPLIES OF MONEY TO THROW AT ANY SPECIAL
PROJECT OR SPECIAL INTEREST THAT ANYONE COULD
DREAM UP.

AS A MATTER OF FACT, NEXT TUESDAY THE
ADMINISTRATION WILL SEND CONGRESS ITS
"MID-SESSION REVIEW," LAYING OUT THE ECONOMICS
THAT WILL GOVERN WHETHER WE WILL HAVE A
SEQUESTER UNDER THE GRAMM-RUDMAN-HOLLINGS
ACT.

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THEN, ON AUGUST 25, OMB WILL TAKE A
"SNAPSHOT" OF THE DEFICIT. WITHOUT COMPLETING
RECONCILIATION -- THE OMNIBUS BILL WHICH IS
SUPPOSED TO CUT SPENDING -- THE SNAPSHOT WILL
PROBABLY SHOW A DEFICIT IN FISCAL YEAR 1990 OF
\$118 TO \$120 BILLION, WELL OVER THE \$100 BILLION
DEFICIT ALLOWED UNDER GRAMM-RUDMAN-HOLLINGS.
HOWEVER, WE GET A \$10 BILLION CUSHION, AND WE
WILL PROBABLY BE ABLE TO GET TO \$110 BILLION AND
AVOID A SEQUESTER FOR NEXT YEAR.

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THE REAL TROUBLE WILL BEGIN IN FISCAL YEAR
1991, WHEN WE ARE TO REDUCE THE DEFICIT TO \$65
BILLION. WE WILL PROBABLY BE FACED WITH CUTTING
UP TO \$50 BILLION OR EVEN \$70 BILLION -- A REAL TASK,
SINCE WE HAVE USED UP MOST OF THE SMOKE AND
MIRRORS.

THAT WILL BE THE TIME WHEN LIBERALS WILL INSIST
ON HUGE TAX INCREASES, INCREASES ON YOU AS
INDIVIDUALS AND YOU AS BUSINESS OWNERS.

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TOBACCO TAXES

ANOTHER, SMALLER TAX ITEM THAT YOU MIGHT
HAVE HEARD ABOUT IS A PROPOSAL CONGRESSMAN
ROSTENKOWSKI PUT IN THE HOUSE WAYS AND MEANS
COMMITTEE'S VERSION OF RECONCILIATION.

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IT WOULD "EQUALIZE THE TAX ON PIPE TOBACCO,
SNUFF AND CHEWING TOBACCO WITH THAT OF
CIGARETTES -- TO \$2.67 PER POUND. CURRENTLY, PIPE
TOBACCO IS TAXED AT \$0.45 PER POUND, SNUFF AT
\$0.24 AND CHEWING TOBACCO AT \$0.08 PER POUND.
THE PROPOSAL WOULD RAISE \$105 MILLION IN FISCAL
YEAR 1990, AND RAISE YOUR COST OF DOING BUSINESS.

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SUMMARY

IN CLOSING, LET ME AGAIN SAY THAT BEING WITH A GROUP THAT IS SO CLOSE TO THE EVERYDAY AMERICAN IS AN HONOR FOR ME. YOU KNOW THE PULSE BEAT OF OUR CITIZENS, THE DIRECTION THEY WANT THEIR GOVERNMENT TO TAKE. SO, I HOPE OUR VISIT HAS BEEN BENEFICIAL TO BOTH OF US, AND TO OUR COUNTRY.

M E M O R A N D U M

July 10, 1989

TO: SENATOR DOLE
FROM: JIM WHITTINGHILL
SUBJECT: TOBACCO DISTRIBUTORS

You are scheduled to speak to the National Association of Tobacco Distributors on Wednesday, July 12, at 12:00 noon. They are serving cold poached chicken if you are interested in eating.

Attending will be approximately 180 (includes about 30 spouses) CEO's of businesses from 38 states. Business sizes range from \$2 million to \$2 billion in annual sales.

The businesses are wholesale distributors of tobacco, food, candy and health and beauty aids to convenience stores and independent grocery stores (7 Eleven has its own distribution network as do major grocery chains such as Giant Food).

They are most interested in matters which would affect small business, as well as, of course, excise taxes on cigarettes. In addition, they would like your thoughts on the direction of the 101st Congress.

You will be introduced by Bill Hagman, Jr. of Pittsburg, KS. Hagman's Inc. has 15 total distribution outlets in Kansas, Oklahoma and Missouri.

Terry Burns is Executive Director of the Association, Jackie Cohen is Director of Government Affairs.

Joyce

NATIONAL
ASSOCIATION
OF TOBACCO
DISTRIBUTORS



Speak

*July 12
Wed.
Whit*

Hyatt Reg

May 1, 1989

*12:15 Lunch
12:45 Speak*

gy

Yorktown Pm.

Honorable Bob Dole
141 Hart Senate Office Bldg
Washington, D.C. 20515

Dear Senator Dole:

On July 12-13, the National Association of Tobacco Distributors will hold its sixth annual Day in Washington. The theme of the conference is "Citizen Action: The Importance of Grassroots Involvement in the Political Process." More than 200 wholesale distributors from across the country will be in attendance.

On behalf of the officers and board of directors of NATD, I am pleased to invite you to address the luncheon session on Wednesday, July 12 at 12:45 p.m. The meeting will be held at the Hyatt Regency Hotel on Capitol Hill.

NATD represents over 570 corporate members with 740 distribution outlets in every state and represents 230 manufacturer and supplier associates. Together we supply 1.5 million retail outlets selling tobacco, candy, groceries and health and beauty aids.

We are pleased to offer an honorarium of \$2,000 for your participation.

I hope that you will be able to join us and look forward to hearing from you.

Sincerely,

Jacqueline A. Cohen
Jacqueline A. Cohen
Director, Government Relations

cc: Bill Hagman, Sr.
Bill Hagman, Jr.

*5-5-89 Interim letter
6/15 Advised Jackie Sen would do*

July 12

NATIONAL
ASSOCIATION
OF TOBACCO
DISTRIBUTORS



Chairman of the Board
John B. ...

Vice President
...

Vice President
...

Secretary
...

Executive Vice President
...

Joyce

June 16, 1989

Senator Robert Dole
United State Senate
141 Hart Senate Office Bldg.
Washington, DC 20510

Dear Senator Dole:

I am delighted that you will be able to address the NATD Day in Washington on Wednesday, July 12.

The luncheon session will commence at 12:15 pm and your presentation is scheduled at 12:45 pm. You are, of course, welcome to join us for lunch.

We would like you to speak for 15-20 minutes followed by a five minute period for questions. Although NATD members are obviously concerned about excise taxes, they are also interested in the legislative process and the outlook for the 101st Congress.

As the date approaches, I will be in contact with Betty to work out the logistics.

Sincerely,

Jacqueline A. Cohen
Jacqueline A. Cohen
Director of Government Relations