



July 27, 1999

A nonprofit organization providing journalists and elected officials with the best available research and commentary on today's vital issues.

Mr. Roy Marden Manager of Industry Affairs Philip Morris Management Cos. 120 Park Avenue New York, NY 10017

Dear Roy:



312,377,3000

Thank you for inviting me to request renewed general operating support for The Heartland Institute for 1999. I note that Philip Morris contributed \$5,000 last August (for a Gold Table at our annual benefit) and \$25,000 in October (general operating support). It also has allowed you to serve on our Board of Directors, which has produced many positive results for the entire organization.

PUBLISHER OF Intellectual Ammunition **Environment News** School Reform News Heartland Policy Studies Heartland Perspectives The Heartlander

Because Heartland does many things that benefit Philip Morris' bottom line, things that no other organization does, I hope you will consider boosting your general operating support this year to \$30,000 and once again reserve a Gold Table for an additional \$5,000.

We genuinely need your financial support. Maybe by the end of this letter you'll agree that we merit even greater support; I certainly hope so!

Working with State Elected Officials

Unlike any other free-market think tank, Heartland's primary audience is the nation's 7,500 state elected officials. We reach them more often, and generate from them more requests for research, than any other think tank in the country.

- **KEW ADDRESS!** 19 South LaSalle Suite 903
- Chicago, Illinois 60603
 - **HEW PHONE & FAX!**

phone: 312,377,4000 fax: 312.377.5000

- *PolicyFax*, Heartland's free fax-on-demand information service for journalists and elected officials, received approximately 700 calls a month from state legislators and members of their staffs during 1998.
- Over 110 elected state officials now serve on the *PolicyFax* Advisory Board, meaning they have volunteered to help choose documents and topics to feature on the service. Among pro-market groups, only ALEC has more state legislators involved in their programs.

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• Every state and national elected official in the U.S. receives a steady stream of publications from Heartland — four periodicals and less regular mailings of policy studies and other documents — that have been designed to fill their information needs. Heartland is one of very few organizations that treats elected officials as *customers*, not opponents.

Supporting State-Based Think Tanks

Heartland works with ALEC and the State Policy Network to support conservative and free-market think tanks around the country. Heartland does as much as either of these organizations to support the state-based think tank movement. For example:

- PolicyFax features 6,000 documents from some 300 think tanks and advocacy groups, including all of the members of State Policy Network. PolicyFax is free for both the users and the groups that provide documents, and Heartland reports back to the publisher each month with information about how often its documents were ordered.
- Heartland's Intellectual Ammunition is the only magazine sent to all 8,000 state and national elected officials featuring the work of free-market policy analysts on the staffs of Heritage, NCPA, CEI, the Tax Foundation, Reason Foundation, Center for the Study of American Business, and other think tanks.
- Issues of three Heartland publications the bimonthly *Intellectual Ammunition* and monthly *School Reform News* and *Environment News* contain directories of free-market groups and feature the work of other think tanks. Heartland is the only organization in the country that regularly promotes the work of other think tanks.

Work on Tobacco-related Issues

Heartland has devoted considerable attention to defending tobacco (and other industries) from what I view as being an unjust campaign of public demonization and legal harassment. We're an important voice defending smokers and their freedom to use a still-legal product.

- Tobacco is well represented on *PolicyFax* and in the quarterly *PolicyFax Updates*. In recent months we posted *Brill's Content's* expose of EPA's corrupt science on second-hand smoke and essays by Patrick Reilly for Capital Research Center, Jacob Sullum for Reason Foundation, Matt Kibbe for CSE, J.D. Foster for the Tax Foundation, and Sean Paige for *Insight*. Some 21 articles on tobacco are available through *PolicyFax*.
- Intellectual Ammunition has carried two articles defending the tobacco industry since last October: the cover story of the March/April 1999 issue ("Lifting the Skirts of 'Progressive' Demonizers") and my essay, "Dear Melissa: A Civil Libertarian's Perspective on the War against Smoking."

- The Heartlander, our monthly newsletter for members, has called attention to the dangerous legal precedents and discriminatory taxes that are part of the campaign against tobacco in cover essays appearing in the October, November, and June issues.
- Recent and past Heartland publications on tobacco, including a *Heartland Policy Study* and several *Perspectives*, and the 21 documents on the subject available from *PolicyFax*, are all available on Heartland's Web site. Particularly popular are two of my essays, titled "Five Lies About Tobacco" and "Joe Camel is Innocent."

Coming Up

We expect to continue publishing School Reform News, Environment News, Intellectual Ammunition, and The Heartlander in the months ahead. Changing PolicyFax from a fax-on-demand service to an Internet-based service begins this week with the conversion of all 6,000 documents available from PolicyFax into a format that will enable them to be viewed or downloaded directly from the Web site.

We are also revamping our Web site to bring together into one place all the material on tobacco—the policy study, op-eds, *PolicyFax* documents, and *Heartlander* essays—and identify it as the "Smoker's Lounge" on the homepage. And we have discussed producing an *Instant Expert Guide to Tobacco Litigation* and reproducing an analysis done of the effect of a federal lawsuit against the tobacco industry on the level of payments states can expect to receive. Both of these projects are likely to come about in the coming months (though the latter only if it is still timely).

Funding Request

Roy, please consider renewing Philip Morris' general operating support of The Heartland Institute at the slightly higher level of \$30,000. We rely heavily on companies like yours to produce a program that is every bit as ambitious and perhaps more effective than anything produced by a Washington D.C.-based group.

Please don't hesitate to give me a call if you have questions or advice. I hope to hear from you soon.

Sincerely

Joseph L. Bast President