

U.S. Sees a Smoking Ban Saving \$39 Billion

By PHILIP J. HILTS
Special to The New York Times

WASHINGTON, April 21 — The Clinton Administration estimated today that the benefits of banning smoking in all public places in the United States would outweigh the costs by at least \$39 billion a year.

The report by the Environmental Protection Agency also estimated that more than 1 million smokers might quit immediately if such a ban, as proposed in a House bill, became law.

The report, released at a news conference, was written by economists at the E.P.A. and was approved by the White House Council of Economic Advisers and by the Office of Management and Budget.

The report estimated the benefits of such a prohibition at \$39 billion to \$72 billion annually. The bulk of this estimate, \$35 billion to \$65 billion, was based on the projection that 11,000 to 20,000 deaths of nonsmokers a year could be averted that otherwise would be caused by lung cancer and heart disease attributed to exposure to secondhand smoke.

Computing a Life's Worth

The report set the value of a human life at \$4.8 million, a figure commonly used by economists, said the principal author, Dr. David H. Mudarri. In recent years, economists have based estimates of the value of a human life on how much extra a worker is paid for very hazardous work compared with nonhazardous work in the same industry. In this way, they say, the market actually sets the value of risk to human life, which can then be transferred to other situations, like the risk to workers of pollution or

secondhand smoke.

Another \$4 billion to \$8 billion could be saved, the report said, through reduced building-maintenance costs; for example, air filters would have to be changed less often, carpets and windows would not need as much cleaning and far fewer ashtrays would have to be emptied.

Another advantage would be that 3 percent to 6 percent of smokers would decide to quit when the ban took effect, the report's authors said, while 50,000 to 100,000 teenagers would not take up the habit.

The report estimated the costs of such a ban at \$2.5 billion to \$3.5 billion, mostly for enforcing it and for expenses associated with constructing smoking rooms in the 10 to 20 percent of nonresidential buildings open to the public whose owners would want smoking areas.

Bill Would Impose Ban

The report evaluated the costs and benefits of the House bill, pending in the House subcommittee on Health and the Environment, to ban cigarette smoking in all public buildings used by 10 or more people a week. Indoor smoking would be permitted only if a building's owners set aside separate, ventilated smoking rooms. The subcommittee is expected to vote next week on the bill.

Walker Merryman, a spokesman for the Tobacco Institute in Washington, which represents the major tobacco companies, said the report was "useless" because it was based on a false conclusion, made by the E.P.A. earlier this year, that secondhand cigarette smoke caused disease in people who did not smoke but who inhaled the smoke of others.

"I think it's a house of cards, built on sand over a fault zone," Mr. Merryman said.

Preliminary figures issued by the agency in February showed a much wider range of possible benefits — "tens of billions to hundreds of billions" of dollars. But those estimates were calculated by a method different from that used in today's report and. Administration officials acknowledged, one that economists do not now favor.

A Ban as an Irritant

In today's estimate, the benefits of longer life spans were computed only for nonsmokers. The benefit to smokers was not included because smokers consider smoking itself a benefit, and a ban on smoking to be irritating. The E.P.A. officials were uncertain how to weigh these "benefits" against the health risks taken voluntarily by the smokers, and so, in order to be conservative, they did not offer estimates for the additional benefits for smokers' increased life spans.

There are about 50 million smokers in the United States, with about 25 billion packs of cigarettes sold annually, accounting for about \$43 billion in sales. Since 1983, the Tobacco Institute says, the number of smokers has dropped 2 to 3 percent a year.

The estimates in today's report did not count worker-productivity gains among the benefits of a ban on smoking.

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About Real Estate

Project Revives Queens Neighborhoods

By DIANA SHAMAN

A wave of housing construction in the South Jamaica area of Queens is providing buying opportunities for hundreds of moderate-income families.

At the same time, it is bringing neighborhoods back to life by placing one-, two- and three-family houses on blocks once dotted by vacant lots.

The housing is a joint effort of the city's Department of Housing Preservation and Development and the New York City Housing Partnership, a private nonprofit group. Since the program began 11 years ago, 9,600 dwelling units have been built in the city.

Subsidies from the city and state make the housing affordable to families earning from \$28,000 to \$53,000 annually, but in some situations families with lower incomes can qualify.

phase are planned for the area.

The two phases of development are considered especially important for South Jamaica because they will bring in homeowners to blocks adjoining South Jamaica Houses, a 1,048-unit public-housing project. Also, the area borders downtown Jamaica, which has drawn huge public investment in recent years with the construction of a \$125 million Social Security Administration regional center, a new subway extension and the development of the \$250 million York College campus. The new housing will provide the residential anchor.

"We're using urban renewal carefully, with a scalpel, not a bulldozer, to leave some of the existing housing intact," said Andrew D. Kelman, director of housing for the Queens Borough President, Claire Shulman. "If

— \$220,628 for a two-family house — but the city and state subsidies cut the cost by \$34,000 a dwelling unit. In addition, the 60 condominiums each receive an extra subsidy of \$6,666 that Mrs. Shulman is providing from the discretionary funds in her capital budget.

The developer of Jamaica Manor is a partnership of three Staten Island builders, R. Randy Lee, Julius Mehrberg and Alan Hoffman. Neighborhood Housing Services of Jamaica is the local nonprofit group screening the applicants and handling the marketing. The Jamaica Savings Bank has provided an \$8 million construction loan, and the Fleet Bank is providing 30-year mortgages to buyers. The first units will be ready for occupancy by the end of the year.

To expedite the construction and to save on building costs, the houses will be factory-built by DeLuxe Homes of

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