

September 13, 1993

**MEMORANDUM**

TO: Bob Lewis  
Bob McAdam

FROM: Susan Stuntz *SM*

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Several of the progressive tax groups have devoted significant time to working with the Miami Herald editorial board on the issue of a "fair" health care reform plan. And while the attached editorial doesn't specifically address "sin" or excise taxes, its suggestion that a flat rate "workers' premium" is unfair, and its call for a universal health care plan to be financed "evenly and fairly by every taxpayer in proportion to income" will be helpful as these organizations work toward alternative financing mechanisms.

**Attachment**

cc: Sam Chilcote  
Cal George  
Walter Woodson  
Media Relations Staff

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# The Miami Herald

JOHN S. ...

JAMES L. KNIGHT (760-3991)

DAVID LAWRENCE II, Publisher and Chairman

ROBERT ... JIM HAMPTON

DOUGLAS C. CLIFTON, Executive Editor

MARCO ... TONY PROSCIO

PETE WEITZEL, Senior Managing Editor

## Spread health costs fairly

The Clinton administration has just three weeks to decide how to pay for its long-awaited national health care plan. The choices are unenviable.

**THE CLINTON PLAN**  
Financing health care with a stealth tax on employers alone would be a double mistake.

Thus the burden of the new health care system would fall haphazardly on those unlucky people whose jobs don't justify the added cost of the new "premium." They would end up poorer or unemployed. The

Somehow the government has to provide increasingly costly health care for 37 million people who now have no coverage. Simultaneously, it must improve the inadequate health coverage of millions more. It is impossible to do that without raising and spending more money. Probably a lot more money.

New York Times and Time magazine report that the administration's own experts project a loss of 200,000 to 700,000 jobs this way. Independent economists give higher numbers. That's an intolerable price to pay.

The administration's quandary is therefore not over whether to increase taxes. To buy that much additional coverage, taxes will have to go up. The question is whether to admit that they are going up, and whether to increase them fairly or haphazardly. Besides public confidence, the quality of any resulting health care plan depends on getting those two matters right.

Worse, the planned "premium" reportedly won't be proportional to incomes. It will be a uniform assessment on every worker, regardless of that worker's wages. In a more innocent age, that kind of tax used to be called regressive — or in the language of Mr. Clinton's presidential campaign, "unfair."

So far, both candor and fairness seem to be losing. Egged on by Senate Minority Leader Bob Dole, the administration lately is hinting at a plan with few or no "new taxes." The White House theory is that employers — many of whom already pay health premiums for their employees — can be compelled to do so in all cases. That would not, in Washington-speak, be a "tax."

If coverage is to be universal, the burden of paying for it ought to be universal. It ought to be borne, evenly and fairly, by every taxpayer in proportion to income. For those whose employers already provide health benefits, there should be a tax credit and an incentive for the employer to continue.

Try telling this to those employers who don't currently pay health benefits — especially small businesses employing low-wage, entry-level workers. For them, a mandated health care "premium" in addition to Medicare (which is to remain a separate program) would be a big hike in the cost of employing anyone. This "no new tax" formula would in fact tax the one thing that the U.S. economy most needs: employment.

There are those who believe that universal coverage isn't worth the additional burden of any tax on anyone. That's an honest position, though evidently not one shared by most Americans. What's not honest is an offer of something for nothing: a promise of limitless health care with "no new taxes," or some fantasy of invisible contributions by infinitely generous bosses.

The White House should use its brief remaining time to prepare taxpayers for a frank and fair debate. That can't begin until benefits are measured by their real costs, and the costs divided honestly among those who benefit.

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September 13, 1993

MEMORANDUM

TO: Bob Lewis  
Bob McAdam

FROM: Susan Stuntz *sm?*

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Following is an update on various August recess activities on the part of opponents of regressive excise taxes to fund federal health care reform.

**Congressional Contacts**

Local BC&T representatives were asked by BC&T President Frank Hurt to try to meet with their representatives at home during the August recess. Among the meetings that have been reported to date:

- . Local 16-T Financial Secretary Jim Masterson spoke with Sen. Ford (D-KY) to thank him for his efforts and to ask how else BC&T could help. Ford told Masterson nothing would be done on health care until 1994 and he did not want to go on the offensive until he had seen what was in the Clinton proposal.
- . Masterson also spoke with Jeff Hall, legislative assistant to Sen. McConnell (R-KY). Hall told Masterson that McConnell was looking for ways to educate the public on the issue; BC&T sent a copy of its new video to Hall.
- . With Rep. Mazzoli (D-KY) on vacation, Masterson met with district Chief of Staff Mattingly, who emphasized that some increase in the cigarette tax was inevitable because of the current climate toward smoking. Masterson noted that Kentucky tobacco workers had seen Mazzoli fight to save jobs at a local Naval Ordnance facility, and they thought it only fair that he do the same for them. Mattingly asked for additional information on the "bootlegging" issue, which is being sent.
- . Masterson spoke with Rep. Natcher (D-KY), who reiterated his opposition and suggested that the workers try to convey union opposition to the cigarette tax to Rep. Rostenkowski.
- . Local 16-T representatives Wayne Purvis and Jim Masterson met with Rep. Hamilton (D-IN) during a meeting of the South Central Indiana Central Labor Council, which was also attended by representatives of the Food and Commercial

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Workers, Communications Workers, Oil Chemical and Atomic Workers and Electrical Workers. Hamilton reportedly was sympathetic but non-committal and noted that it had been such a struggle to raise the gas tax for the budget package he doubted anyone would be able to do much to increase the tobacco tax.

- . The Virginia delegation of BC&T workers is arranging meetings with their Congressmen this week in Washington. To date, meetings are confirmed for Reps. Bliley and Sisisky.

Contacts from other Labor Management Committee representatives include:

- . California LMC consultant Phil Giarrizzo continues to try to meet with Rep. Matsui (D-CA) who, in his role as national spokesman for NAFTA, has said he has little desire to meet with anyone from the labor movement, even if it's not on NAFTA. The AFL is picketing Matsui's California offices, which is compounding Giarrizzo's problems, since he cannot cross the picket lines.
- . Texas LMC representative Harry Hubbard met with Jake Pickle (D-TX) on August 31. Pickle noted the "impressive" job loss estimates and also expressed concern about the potential loss of a tax base. While Pickle said he thought there would be an increase of some sort, he said he would not support a "monster" tax. A copy of Hubbard's written report is attached.

#### Media Outreach

We had reported previously on tobacco workers' efforts to garner media attention to their concerns as part of a Labor Day outreach. Media placements confirmed to date include:

- . BC&T President Frank Hurt's radio message on the job loss estimates was picked up by about 140 of the 200 stations in the southeast to which it was sent. These pick-ups included stations in Richmond, Charlotte, Charleston and Atlanta.
- . Workers in Louisville were interviewed on the local ABC television affiliate (August 31), on a 30-minute radio talk show (WWKY) and on the NPR affiliate (WFPL/WFPR).
- . A representative from Durham, NC, was interviewed Labor Day morning on WFNC-AM, Fayetteville.

#### Attachment

cc: Sam Chilcote  
Cal George  
Walter Woodson

DISTRICT CONTACT PROGRAM

MEMBER: "JAKE" PICKLE

TIME AND DATE OF CONTACT: August 31, 1993 - 1:30 P.M.

PERSONAL VISIT OR CONTACT BY TELEPHONE: PERSONAL

INDIVIDUAL MAKING CONTACT: HARRY HUBBARD

WAS THE CONTACT DIRECTLY WITH THE MEMBER: YES  
(ALSO EDDIE REEVES, LEG. ASSIST. IN CHARGE OF HEALTH CARE)

IF NOT, NAME THE STAFF PERSON (S):

MEMBERS POSITION ON INCREASED TOBACCO EXCISE TAXES:  
NO COMMITMENT - HOWEVER, GENERALLY OPPOSED TO EXCISE TAXES AS FALLING ON LOWER INCOME THE MOST.

MEMBERS GENERAL VIEW ON TOBACCO EXCISE TAXES AND HEALTH CARE REFORM PROPOSALS:  
NO COMMITMENT - HOWEVER, VERY CONCERNED ABOUT LOSS OF JOBS AND WOULD OPPOSE A "MONSTER" TAX ON TOBACCO. AGREED THAT TAXES ON TOBACCO WOULD MEAN A DECLINE IN THAT INDUSTRY.

RECOMMENDATIONS FOR FUTURE CONTACTS/INFORMATION FOR MEMBER:  
D.C. CONTACTS SHOULD STRESS LOSS OF HIGH PAYING JOBS AND LOSS OF INDUSTRY. I DELIVERED TALKING SHEET, COMPARISON SHEETS, CHARTS, ETC. TO PICKLE'S OFFICE AND IT WAS OBVIOUS THAT HE HAD REVIEWED THEM.

OTHER COMMENTS:  
HE INDICATED REAL CONCERN AND APPRECIATION FOR MY VISIT AND MATERIAL SUPPLIED.

DATE OF FOLLOW-UP/THANK YOU LETTER TO THE MEMBER:  
WILL FOLLOW UP ON SEPTEMBER 2, 1993

Please return completed form to:  
Jim Savarese, Savarese & Associates, 1901 L Street N.W., Washington, D.C. 20036

September 13, 1993

MEMORANDUM

TO: Bob Lewis  
Bob McAdam

FROM: Susan Stuntz *SM*

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Attached for your information is a copy of a resolution approved late last month by the Ohio State Conference of Painters, which represents about 10,000 painters throughout the state, specifically opposing "all efforts to increase the federal cigarette excise tax as a means of financing health care reform."

A copy of this resolution is being transmitted to the state's Congressional delegation.

Attachment

cc: Sam Chilcote  
Cal George  
Walter Woodson

T117740809



# Ohio State Conference of Painters

AFL—CIO

## A RESOLUTION

### FINANCING OF HEALTH CARE REFORM

WHEREAS, The development of health care reform policy within the Clinton Administration includes proposals which would finance the health care reform package through a dramatic increase in the federal cigarette excise tax reportedly ranging between \$1 and \$2 per pack; and

WHEREAS, Such a dramatic increase in the amount of the federal cigarette excise tax would result in the loss of thousands of highly skilled, high-wage jobs in the cigarette manufacturing industry directly, and other thousands of other jobs lost in related secondary employment, and

WHEREAS, The overwhelming majority of tobacco workers are dues-paying union members represented by affiliated unions of the AFL-CIO, and

WHEREAS, Consumer excise taxes on items such as tobacco, gasoline and alcoholic beverages are regressive taxes, placing a disproportionate burden on working men and women and their families, and

WHEREAS, The national AFL-CIO opposes increases in the level of regressive consumer excise taxes on cigarettes and other products, and

WHEREAS, Consumer excise taxes represent an unstable and declining sources of revenue, while at the same time health care costs and demand for services continue to escalate, therefore, be it

RESOLVED, That the Ohio State Conference of Painters opposes all efforts to increase the federal cigarette excise tax as a means of financing health care reform, and, be it further

RESOLVED, That the Ohio State Conference of Painters supports broad-based, progressive financing of health care reform, and, be it further

RESOLVED, That the Ohio State Conference of Painters will continue to work with the national AFL-CIO to promote fairly financed basic health insurance protection for all Americans.

ADOPTED AUGUST 29, 1993, COLUMBUS, OHIO.