

May 10, 1993

MEMORANDUM

TO: Bob Lewis
Bob McAdam

FROM: Susan Stuntz

Attached are materials from this morning's 20-minute news conference at which representatives from the Coalition on Smoking OR Health released results from a Gallup survey noting that 73 percent of American adults support higher cigarette taxes to fund health care reform. In tobacco-growing states, 72 percent support higher tobacco excises, according to the poll.

Although the press release does not say so, the poll report begins by noting that Americans are most likely (75 percent) to support higher alcohol taxes.

About 15 reporters were on-site at the news conference; cameras included CNN and local television stations. Tom Lauria is doing an interview with CNN this afternoon.

Alan Davis of the American Cancer Society invited tobacco farmers to join in Coalition efforts to support a \$2/pack increase and he promised his group's support of legislation to help tobacco farmers make the transition to other crops.

Among the questions at the news conference:

. Current tax levels in the U.S. Coalition representative Matt Myers said that the average federal and state tax of 46-50 cents per pack is the lowest in the world.

. Clinton Administration support for a "monster" tax. Davis said the Coalition has received "signals" from the Administration that it supports an excise tax to finance health care reform.

. Regressivity. Patricia Sanderson of the Illinois Cancer Society said that poor people who are most affected by regressivity would benefit by improved health care funded with a tobacco excise tax.

. Declining revenues. According to Myers, although revenues would fall in the first and second years, they would "practically level off" after the second year. He also argued that as health costs attributed to smoking decreased, fewer revenues would be necessary. Sanderson of the Illinois ACS added that even if the tax raised no revenue, it would be good policy because the U.S. tax is the lowest in the world.

Attachments

cc: Sam Chilcote, Cal George, Walter Woodson

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