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APRI

A. PHILIP RANDOLPH INSTITUTE

1444 "I" Street, N.W., Suite 300, Washington, D.C. 20005
202/289-2774 FAX: 202/371-0168

April 8, 1994

The Honorable Dan Rostenkowski
2111 Rayburn House Office Building
Washington, D.C. 20515-1305

Dear Congressman Rostenkowski:

On behalf of the A. Philip Randolph Institute, I am writing to communicate to the members of the House Ways and Means Committee our opposition to the Health Subcommittee's proposal to raise the tobacco excise tax by \$1.25 per pack to fund health care reform. APRI represents more than two million African-American trade unionists throughout the country and is affiliated with the AFL-CIO.

APRI's opposition to the proposal arises primarily from our belief that it will cause significant unemployment in the tobacco and related industries. Tobacco is a high-wage, highly unionized industry. Many of the union members working in cigarette manufacturing facilities are African-American.

The loss of these high-wage jobs, which also provide workers with extensive benefits, would be devastating to thousands of African-American families and the communities in which they live. At a time when workers are striving to improve their standard of living, policies designed to cripple this industry make no sense.

APRI is also opposed to the Subcommittee's proposal because excise taxes are extremely regressive. Their impact is felt most strongly by low and middle income working families.

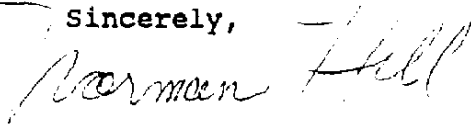
We applauded the Administration's and Congress' efforts last year on the budget because it helped restore progressivity to U.S. tax policy. Increasing the federal cigarette excise tax by \$1.25 per pack or even 75-cents per pack as proposed by the President wipes out all the gains in equity and fairness made last year.

Finally, excise taxes are an unreliable source of revenue. Historically, increasing tobacco excise taxes rarely yields the revenue levels predicted. Health care reform is crucial to

America, particularly African-American workers, and we are opposed to jeopardizing reform with inadequate, unreliable sources of funding.

Thank you for taking the time to consider the ideas we have raised on this important issue. APRI looks forward to hearing from you.

Sincerely,

A handwritten signature in cursive script that reads "Norman Hill". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

Norman Hill
President