

THE MEXICAN AMERICAN GROCERS ASSOCIATION
405 NORTH SAN FERNANDO ROAD
LOS ANGELES, CALIFORNIA 90031

March 28, 1986

The Honorable Robert Packwood
United States Senate
Washington, D.C. 20510

Dear Senator Packwood:

The Mexican American Grocers Association has been following your tax proposals and although as business persons we are also concerned with the huge federal budget deficit; we must oppose your proposal to remove the excise tax exemption on gasoline or effectively raise excises on tobacco and alcoholic beverages.

We must oppose any legislation which will increase the cost of doing business; forcing us to pass the additional costs of excise taxes on to the consumer. We specifically can not support legislation which increases the cost of getting to the market (gasoline tax) especially when many of our member organizations deliver gasoline or ferry customers, including seniors, to and from our markets.

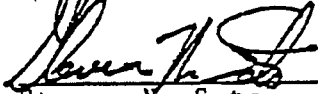
We must also oppose your proposed plan which effectively increased excise taxes on alcohol, tobacco and other products we know will continue to be purchased despite increases in cost, but which purchases will be at the expense of more important household items and food stuffs.

In addition, we oppose your tax proposals because we feel they discriminate Hispanics who are low and moderate income, who have acquired a taste for alcohol or tobacco products and who's ability to work, seek work, or purchase are dramatically effected by the cost of gasoline.

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We urge you to reconsider your efforts to eliminate current exemptions on excise taxes and on any proposals which will act to increase excise taxes on gasoline, tobacco, alcoholic beverages and other products.

Sincerely,



Steven N. Soto
President C.E.O.



Joe C. Hernandez, Jr.
Senior Executive
Vice President, Operations

cc: Honorable Alan Cranston
Honorable Pete Wilson