

**UPDATE ON SOUTHERN AND NATIONAL ACTIVITIES
BY LABOR, AGRICULTURE AND LMC ALLIES**

Based on our discussions, the following strategies and programs have been developed by Ogilvy Adams & Rinehart, Savarese and Associates, The Jarvis Company and Senter and Associates to carry on the fight to oppose a 75 cent increase in the federal cigarette tax to finance health care reform.

I. Congressional Hearings

Over the coming months, the U.S. Senate and House have scheduled thousands of hours of hearings on the President's health care proposal -- hearings which have begun even before the legislation formally has been introduced. These hearings afford a tremendous opportunity to deliver our message to critical Members of Congress through oral and written testimony as well as to the public through media coverage.

A. AFL-CIO State Presidents Press Conference

The House Ways and Means Committee will hold its first series of hearings on health care financing on November 16, 18 and 19 with the possibility of continuation the following week. (The vote on the North America Free Trade Agreement (NAFTA) is set for November 17.) In conjunction with these hearings, a press conference is set for Tuesday, November 16 at 9:00 a.m. featuring AFL-CIO state presidents, Members of Congress from tobacco states and tobacco workers and growers. The current list of our participants includes:

Robert Curtis, president, Kentucky AFL-CIO
Chris Scott, president, North Carolina AFL-CIO
Herb Maybry, president, Georgia AFL-CIO
Daniel LeBlanc, president, Virginia AFL-CIO
Mattie Mack, The Federation of Southern Cooperatives

Our message will be twofold: First, we will continue to focus on the disproportionate job loss the South will suffer as a result of increases in the federal tobacco tax; second, we will demonstrate the irreplaceable nature of tobacco as a cash crop.

Job Loss: The Bakery, Confectionery, and Tobacco Workers International Union (BC&T) will request an opportunity to testify at these hearings to highlight the job loss issue.

The Irreplaceable Nature of Tobacco as a Cash Crop: We will develop the appropriate arguments as well as a chart which plainly and clearly demonstrates the irreplaceable nature of tobacco as a cash crop. Our intent is to demonstrate not only that there is no appropriate substitute for tobacco as a crop but also to put a human "price tag" on the effect of the increased tax.

B. Testimony from LMC Support Groups

The National Council of Senior Citizens (NCSC) and Citizen Action, among others, will ask to testify during the hearing process. We will work with these groups to ensure that the message of progressive financing is a key part of their testimony, as well as work with them to publicize the fair financing message in the media.

In addition, we will work with labor support groups, such as the Coalition of Labor Union Women (CLUW), A. Philip Randolph Institute (APRI) and the Labor Coalition for Latin American Advancement (LCLAA), as well as National Consumers League, to assist them in submitting written testimony to the committee.

C. Local Press Coverage of the Hearings

To complement the "job loss" message delivered at the Washington, DC, press conference and during the Ways and Means Committee hearings, we will work with local BC&T presidents to provide a state-specific perspective on the hearings in the state and local media.

II. Analysis of Health Care Spending Study

Three national organizations -- Citizens for Tax Justice (CTJ), Citizen Action and the American Federation of State, County and Municipal Employees (AFSCME) -- are in the process of analyzing health care spending by income decile. The joint study will provide national and state-by-state data on spending under the current health care system, the Clinton Administration program and a single-payer bill introduced by Representative Jim McDermott (D-WA).

The analysis, which is due to be completed this December, will in all probability show that the Clinton plan is more regressive due to its heavy reliance on flat premiums and tobacco taxes than the current health care system and the McDermott bill. It will also show that the McDermott single-payer proposal is the progressive of the three alternatives. We expect that the study will provide the intellectual underpinnings for a concerted effort to alter the financing structure of the Clinton program.

In addition to the national data provided by the study, data also will be available on the impact of the three plans on each of the 50 states. This information can be used on a targeted basis in those states whose Congressional delegations are determined to be critical to the legislative process.

OA&R has held extensive discussion with the organizations involved in the study and has been asked to provide media and promotional assistance when the study is released. In addition to a national press conference, plans are being considered for a series of state-specific press events. The study will be distributed to all Members of Congress, key state legislators and interest groups concerned about health care financing issues.

III. Continued Outreach to Southern Members of Congress

As you know, the preliminary focus of the "Southern Strategy" was to reinforce our opposition to increased tobacco taxes in the tobacco manufacturing and growing states of Virginia, North Carolina, South Carolina, Georgia, Kentucky, and the southern portions of Ohio and Indiana. A series of successful press conferences and media events, centered around BC&T plant workers and tobacco growers, were conducted and generated a significant amount of press. (Due to travel schedules, a press conference in Raleigh-Durham, North Carolina, has been postponed until late November.)

Our next focus is on those states that are more problematic -- the number one priority being Tennessee. We also recommend that Florida, because of the interest of its delegation in the health care debate, also be targeted.

A. The Tennessee Project

Up until now, the Tennessee Congressional Delegation has not shown the kind of support as it should for the tobacco workers, growers and industry as a whole based on the state's economy. Accordingly, in order to encourage the Members of Congress from Tennessee to oppose the 75 cent increase in the federal tobacco tax, the program below has been developed.

Congressional Visits: Tennessee growers, black tobacco farmers who are members of The Federation of Southern Cooperatives, tobacco plant workers and union leaders will visit the Tennessee delegation in Washington, DC, to make the case personally against increased tobacco taxes. (It should be noted that the state will have two U.S. Senate races in 1994.) These trips to Washington, DC, could also serve as the "hook" for an appropriate news story on the human face of the tobacco tax issue.

Tennessee Facts and Figures: To dramatize the impact of the federal tobacco tax increase on the Tennessee economy, OA&R will prepare a short pamphlet which spells out, through narrative and graphic illustration, Tennessee-specific facts and figures on the impact of the 75 cent tobacco tax increase. This pamphlet will be a useful tool not only in Congressional visits but also in our outreach to local media.

Opinion Editorials: Finally, these state-specific arguments should be developed into an opinion-editorial, authored by the appropriate growers, for example, which would be placed in one of the state's major newspapers.

B. Other Targets

Florida Panhandle: Given the importance of the Florida Congressional Delegation to the overall health care debate and the fact that it is a tobacco-growing state, a press conference of growers and workers, similar to those we have coordinated in other southern states, could be held in a Florida panhandle city such as Tallahassee.

IV. Worker Retraining: The Petersburg Project

The request by Representative Romano Mazzolli (D-KY) to testify before the Ways and Means Committee on job retraining and other compensation for tobacco workers and growers displaced due to an increase in the federal cigarette tax is a harbinger of arguments to come in favor of the tax increase. The closing of the Brown and Williamson plant in Petersburg, Virginia and the subsequent failed worker retraining program provides a unique and valuable opportunity to respond to such an argument with an actual case study. This study will detail not only the economic impact of a plant closing on an entire state, but also the fallacy of job retraining programs in general.

V. Agriculture Allies

A. The Federation of Southern Cooperatives Congressional Visits

Between now and the end of the first session of the 103rd Congress, Ralph Paige, executive director, The Federation of Southern Cooperatives, and other members of the Federation will travel to Capitol Hill to meet with key members of the Congressional Black Caucus (CBC) including Representatives Kweisi Mfume (D-MD), Mel Reynolds (D-IL), Harold Ford, (D-TN), Mel Watt (D-IL) and Craig Washington (D-TX). The Federation will also meet with select members of tobacco-state delegations, such as Representative Stephen Neal (D-NC), who have been key players in the

fight against increased tobacco taxes. OA&R will assist Senter and Associates in coordinating these visits and conduct the appropriate follow-up, including a legislative report.

B. Other Agriculture Outreach

OA&R will assist Senter and Associates to work with the American Agriculture Movement, National Farmers Union, American Corn Growers Association, among others, to develop and pass resolutions at their national conventions to oppose tobacco-tax financing of health care reform. Such resolutions will be used with Members of Congress, as well as in a general public awareness campaign.