



THE UNITED STATES HISPANIC CHAMBER OF COMMERCE

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March 28, 1986

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

Dear Senator Packwood:

The U.S. Hispanic Chamber of Commerce has for some time now followed State and Federal Excise Tax Legislation. In October of 1985 at our national convention, our approximately three hundred local chambers or member organizations unanimously approved a resolution opposing any proposed increases in excise taxes on tobacco and other products.

Our businesses are small. We are in touch with and located within Hispanic communities throughout the nation.

Living as we do among our customers, we are particularly sensitive to proposals like yours which adversely effect or diminish Hispanic consumer buying power.

The National Hispanic Chambers of Commerce is opposed to your tax proposal and must oppose any plan which, given our small business nature and low volume situations, can only result in our passing on the additional cost of doing business. Your proposal is insensitive to the millions of Hispanics most of whom are just beginning to enjoy the benefits of an improved economy not to mention the adverse impact on Hispanic business.

Hispanics are particularly sensitive to the price of gasoline given the importance of automobiles to our daily existence and our limited income. You will find that despite "fashionable and self effacing motives" excise tax increases will not stem to demand for other products including tobacco. Instead they will diminish purchases of other important household products or necessary food stuffs. Most importantly however, tobacco and alcohol are more than luxury items. Why should low income groups like Hispanics, which purchase alcohol or tobacco products be expected to carry the brunt of Federal Budget deficits by paying a greater percentage of their incomes for a deficit they had little to do with creating.

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We urge you to seriously reconsider your proposed excise tax increases and/or to consider the impact on Hispanic businesses and the Hispanic community.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sergio Banuelos".

Sergio Banuelos, Sr.

cc: Honorable Alan Cranston
Honorable Pete Wilson