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Congress of the United States

House of Representatives

Washington, DC 20515-3005

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**BANKING, FINANCE AND
URBAN AFFAIRS COMMITTEE**

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POSTSECONDARY EDUCATION
AND TRAINING

Mr. Thomas F. Byrne, III
President
Thomas F. Byrne Organization
95 Mayhill Street
P.O. Box 6565
Saddle Brook, NJ 07662

Dear Mr. Byrne:

Thank you for your recent comments in regard to health care, and proposals to increase the tax on cigarettes and tobacco products. I appreciate knowing of your strong concern in this matter.

As you may be aware, the President's health care reform proposal does call for an increase in the federal excise tax on cigarettes, to finance expanded health insurance coverage for those presently uninsured. President Clinton's budget proposal for FY95 indicates that the President includes a request to increase the federal excise tax on cigarettes by 74 cents, to 99 cents per pack. These monies are designated to help finance health care reform.

I am sorry to say that you and I disagree in this matter. I am willing to consider increased taxes on tobacco products as a means of financing health care reform. This approach is only logical given the strong relationship between cigarette smoking and increased federal spending on health care due to lung cancer and associated heart diseases.

However, it is clear that the proposed tax on tobacco products cannot finance comprehensive health care reform, while maintaining the high quality of American health care, and expanding insurance coverage for 37 million uninsured Americans. Frankly -- and I have made this observation to Mrs. Clinton, the Secretary of Health and Human Services, and the Secretary of Labor -- the Administration has yet to objectively document any of its proposed "cost savings", or offer any credible explanation of their health care plan's financing. Thus far, it sounds suspiciously like a "free lunch".

In light of these concerns, I recommend that we move forward with those immediate measures such as health insurance reform (to eliminate preexisting conditions, control costs and end "job lock", for example) and medical malpractice reform before completely dismantling a health care system which provides the highest quality care in the world. Such efforts will reduce health care costs and increase insurance coverage without massive amounts of new spending.

A thorough and accurate analysis of all costs must precede debate of any health care reform proposal. The need to raise taxes to cover the projected costs will clearly be an essential component of the debate, and I am appreciate your sharing your views with me. I hope you will continue to share your thoughts with me on issues of our mutual concern.

Sincerely,

Marge Roukema
Member of Congress

MSR:jap