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PRESIDENT MAURSTAD: Senator Beutler.

SENATOR BEUTLER: I waive the rest of the time.

PRESIDENT MAURSTAD: Are, Senator Beutler, are you giving the rest of your time back to Senator Landis?

SENATOR BEUTLER: Yes, I am.

PRESIDENT MAURSTAD: Senator Landis, about three minutes on Senator Beutler's time.

SENATOR LANDIS: Thank you. I was at a point in which we were talking about whether or not affecting tax rates affected consumption or starting smoking. I was going through the absolute lack of evidence offered this group by the opponents. I then raised what I thought was a logical argument because of the presence of the lobby. I then was quoting actual tobacco industry indications that price affected youth consumption from their own internal secret information that indicated that the price increases in 1982 kept 600,000 teenagers from beginning to smoke. There is another document, not the same one that I've quoted from, that says essentially exactly the same thing from the tobacco industry itself, an interoffice memo that had no intention of ever being released to the public, and that...I'm going to look for that document on my rather crowded desk. It's a memo that appeared in a newspaper around here as an ad and I'll just take a moment to look for that document and, ah, here it is. This is from Philip Morris. It's from Myron Johnston to Harry Daniel. The subject was teen smoking and the federal excise tax: Most researchers, myself included, have calculated the best estimate of price elasticity is .4 percent. That is, a 10 percent increase in the retail price of cigarettes will cause a decline of about 4 percent in cigarette sales. All right, 10 percent increase; 4 percent less sales. The most important finding is price elasticity among teenagers. They calculate that smoking...

PRESIDENT MAURSTAD: One minute.

SENATOR LANDIS: ...participation elasticity is 1.2, which means that a 10 percent increase in the price of cigarettes would lead