

was a lot of support to increase that tax, not only to retain the 8, but to increase the 16 percent. For your information the \$38 million that it was to accrue, most of that has gone back through support on the government price support system of 90 percent, that the tobacco companies can buy surplus tobacco for. So in essence it went right back to the tobacco companies. That is expected to bring in somewhere from 800 million to 100.2 million that costs our United States treasury. So my point is we are getting blamed again for that large tax on cigarettes. Simply, that has done our state no good. Within that same program is \$250 million, for the people that were on the committee, on the bill, there are other things, Medicare, money to go to foster children, some passed, some did not pass, to pass out in their favorite districts where their money is. When you consider that a nationwide survey, a cigarette tax...cigarettes cost us...you can take all the way from \$40 to \$80 billion a year. When they compare that to a tax on liquor, or I shouldn't say liquor, on jewelry and furs, they do not cost us additional hospitalization and doctor bills and lost work. So not only by the revenue that we need, I hope people also take that into consideration on their vote.

SPEAKER NICHOL: Senator Rupp, please, then Senator Schmit, then Senator Haberman. Senator Rupp.

SENATOR RUPP: Question of Senator Vard Johnson, please, actually a couple of questions.

SENATOR V. JOHNSON: Yes, Senator Rupp.

SENATOR RUPP: Senator Johnson, you heard me the other day. I'm wavering, quite frankly, on this vote. I need some reassurance and I need a little of your rationale, I believe, what was heard in Revenue Committee on this as far as testimony. But you heard me the other day address some concern about what Senator Bob Clark told us when we considered this bill two or three years ago. If we have a 15 cent a pack differential on tax with a neighboring state, like Wyoming, plus the fact that they don't charge sales tax on cigarettes, we have the temptation of maybe 75 or 80 thousand dollars profit on smuggling one load in. Now Senator Marsh said that that is illegal and because it is illegal they won't do that. But I guess I'm not reassured because Senator Clark told us specifically, as I recall, that when we raised the tax there was a commensurate