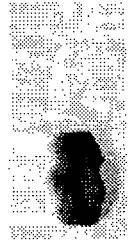


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Saturday, July 26, 1997

Bliley likely choice for tobacco task force

BY PETER HARDIN

Times-Dispatch Washington Correspondent

WASHINGTON -- Virginia tobacco growers and factory workers are likely to be well represented if House Speaker Newt Gingrich assembles a task force to study the \$368.5 billion tobacco settlement.

Gingrich, R-Ga., indicates he will name Rep. Thomas J. Bliley Jr., head of the House Commerce Committee, among the leaders if such a task force is set up later this summer, a congressional source said yesterday.

Bliley, R-7th, is one of tobacco's friends in Congress. Many workers at the Philip Morris USA manufacturing plant in the adjoining 3rd District are among his constituents.

The Commerce Committee is one of several congressional panels that may assert jurisdiction over parts of the proposal agreed to by the tobacco industry to settle major lawsuits.

[Tobacco: Up in smoke?](#) | [Washington Dateline](#) | [Metro and Virginia Stories Index](#)

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The Washington Post

AN INDEPENDENT NEWSPAPER

The House and the Tobacco Tax

THE SENATE included in its version of the budget-balancing bill a modest, 20-cent-a-pack cigarette-tax increase meant in part to finance a children's health initiative and in part to deter smoking, particularly among children to whom the 20 cents might matter. It is eminently sensible legislation, good policy and, you would think, good politics as well. The Senate vote was 80 to 19; the president has embraced the idea. But the House leadership, for what seem to us the worst of political and ideological reasons, is resisting, and the tax was dropped from the combined House-Senate bill that is now the subject of White House-congressional Republican negotiations.

Republicans are fond of saying you ought not tax behavior you want to encourage, only behavior you want to suppress. Here is a deadly product, the use of which is one of the great public health problems in the society, a major source of disease, contributor to health care costs and cause of other kinds of loss. We have just gone through a couple of months of extraordinary negotiations between the tobacco companies and state attorneys general who were suing them, in which the companies acknowledged the harm that tobacco does and offered certain reparations. You heard a lot of speeches over those months about the evils of smoking, its addictiveness, the need to discourage it among children especially, etc. The Senate legislation would be a step in that direction.

But the House leaders are opposed to tax increases—it seems not to matter what kind—and don't want to create what they say would be a new spending program (to reduce the number of children

without health insurance) either. They also have the barest of majorities, and reportedly seek to protect Republican members from tobacco-producing states whose reelection they have convinced themselves a tobacco tax increase could threaten. If the choice is children's health vs. politicians' health, thus narrowly defined, perhaps the children should look elsewhere.

A tobacco tax increase to pay for children's health insurance was broached in the Senate earlier this year by the unlikely combination of Edward Kennedy and Orrin Hatch. Mr. Hatch took a bit of a beating from his fellow Republicans for his support of the idea but persevered and converted enough of them that the Senate almost approved a 43-cents-a-pack increase as part of the budget resolution—the outline of the present legislation—earlier this year. Only intervention by Majority Leader Trent Lott—and, at Mr. Lott's insistence, President Clinton—kept the proposal from passing. But the president said at the time that it was a good idea and he would support it later. The Senate Republicans, most of them, were likewise reluctant to be cast in opposition, and voted aye next time around.

The House folks are the remaining holdouts. They say they may yet agree to a tobacco tax increase if they need the money, but not to add to the \$16 billion over five years already in the budget for children's health. They'd rather spend it on something else—like what? A capital gains tax cut? The budget process is often pretty murky, but every once in awhile it produces a moment of clarity, a clear test of the members' priorities. This is one of those moments. The House Republicans are on the wrong side.

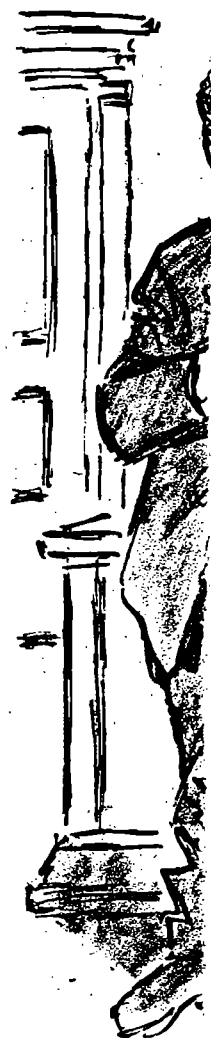
Democracy in Asia

SECRETARY OF State Madeleine Albright will spend the next few days in Malaysia, meeting with her counterparts from the Association of Southeast Asian Nations. ASEAN was planning to celebrate its 30th anniversary and the admission of three new members—Burma, Laos and Cambodia. But a recent coup in Cambodia and continuing repression in Burma are souring the mood.

ASEAN has long held to a policy of non-interference in the affairs of its members and prospective

proaches. In Cambodia, Hun Sen will soon seek to legitimate his coup by convening the National Assembly, which, duly cowed by the butchery of officials opposed to his regime, will name a new puppet prime minister. Japan, sadly, seems ready to accept this constitutional fig leaf and resume aid to the government, sending a wrong signal not only to Hun Sen but to any other would-be usurper. The United States is right to insist on a return of real democracy and a guarantee of free elections next May before resuming

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Remember the Hoodsie Cup?



The Boston Globe

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Nation | World

Senators turn back tobacco moves

By Associated Press, 07/24/97

WASHINGTON - In an early skirmish on tobacco, the Senate rejected an effort yesterday to end crop insurance for tobacco growers, and refused to boost money for a campaign to prevent teen-agers from buying cigarettes.

The struggle could foreshadow tobacco interests that will compete if the \$368 billion settlement of health lawsuits against cigarette companies reaches Congress this year.

"It is almost impossible to explain why the government is subsidizing the growth of a product that the government tells people is dangerous to consume," said Senator Dick Durbin, Democrat of Illinois.

The Senate voted 53-47 against the tobacco insurance amendment, which would have eliminated the insurance program, and 52-48 against the effort to increase funding for the prevention program. Senators Edward M. Kennedy and John F. Kerry voted to end the insurance program and to increase spending to curb teen-age smoking.

The vote was held in debate on a \$49.6 billion spending bill for the Agriculture Department.

The amendment to end subsidies for crop insurance would have prevented 89,000 tobacco farmers from collecting payments for losses from floods, droughts and pests.

This story ran on page A10 of the Boston Globe on 07/24/97.
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WSJ Wed 7/23/97
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Domestic, a New Mexico Republican.

Democratic Senate supporters welcomed the president's proposal, but conceded hope is fading. "No question, we have an ICU patient," said Sen. Bob Kerrey of Nebraska, who helped develop the compromise.

The White House plan essentially dances around the dispute with Republicans on how to collect the higher pre-

age than the Senate's plan.

White House aides didn't reject the offer, but said they would work to restore the Senate version, in particular broader insurance options and the requirement that the money be used only for health insurance. "We are not pessimistic about this," said senior White House budget aide Chris Jennings. "We are going to have to work something out."

GOP Tries to Take Tobacco Off Table Before Tax Talks With White House

By GREG HITT

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — Republican leaders are working to move tobacco off the table before entering final tax negotiations with the White House.

The effort dominated a daylong huddle yesterday in the office of Speaker Newt Gingrich, whose aides spent the afternoon swatting down rumors of further shake-ups in the GOP leadership and emphasizing the Georgia Republican's command of the budget talks.

The Senate's tax-cut package, pieced together with the blessing of Majority Leader Trent Lott (R., Miss.), included a 20-cents-a-pack increase in the 23-cents-a-pack cigarette tax that would raise about \$15 billion over five years.

In private sessions, however, House GOP leaders have told senators that the cigarette levy would prove unpopular in tobacco states such as Kentucky and North Carolina, which are strongholds for House Republicans, and could threaten GOP control of the chamber.

A higher levy could survive, but only if needed to meet the bipartisan budget deal's target of a net \$85 billion tax cut.

GOP leaders hope to wrap up their consensus bill today. Their goal is to forge a compromise with Treasury Secretary Robert Rubin and other administration negotiators by late this week. But with

revenue from the booming economy driving down deficit estimates, several Democratic senators, after meeting yesterday with Mr. Rubin, said the administration is comfortable with the talks' slow pace.

"They're prepared to wait," said Sen. Chris Dodd (D., Conn.). "They're not going to get an agreement unless it's a good one."

Republican leaders tentatively agreed to support a \$33 billion package of airline taxes, about \$1 billion less than the original House and Senate proposals, but there was no decision on whether to restructure the 10% ticket tax. The House bill would shift more of the levy's burden onto regional airlines, benefiting major carriers.

The 10% ticket tax and related fees will expire Sept. 30, the end of the fiscal year. Renewal would raise about \$30 billion.

And in structuring their proposed cut in the capital-gains tax, GOP leaders are preparing to test the president's threat to veto any measure that includes inflation indexing. The GOP bill would allow investors to avoid taxation on inflation-related gains, but only on assets held for at least five years.

The measure would cut the top capital-gains tax to 20%, from 28%. The consensus package would drop a House proposal to cut the corporate capital-gains tax to 30% from 35%, and a Senate plan to broaden a preference encouraging venture-capital investments in start-up firms.

about a recent development here at the Heard Golf Academy that I believe is the biggest advancement in golf in the past 50 years. After years of intense research and experimentation, I have finally developed a golf swing that I believe not only produces the longest and most accurate driver, wood and iron hits ever but also is the quickest and easiest to master.

We have named this new advancement The Heard Super Swing.

I have been using this swing for the past 6 months myself in preparation for going on The PGA Seniors Tour in May when I turn 50 years old.

I am personally testifying to you today that this new advanced swing has dramatically improved my game even though my old swing carried me in many PGA Tour championships. I have also personally witnessed that it has dramatically improved the game of many amateur golfers to whom we have taught it here at the Heard Golf Academy.

The Heard Super Swing was developed from a number of sources.

You are probably well aware of the new swing method used by Mo Norman that has been widely publicized in the golf magazines. There is also a major golf school that independently and scientifically developed this type of swing used by Mo Norman. This type of golf swing is based on the naturalization of the golf swing that better adapts to the human body.

But we found this more natural golf swing, although much easier to learn, still had its drawbacks with regard to distance and several other factors concerning the ability to work the ball left to right and up and down.

The Heard Golf Academy has also been working on our own new advanced golf swing over the past years. We have also found major flaws in the standard golf swing which is generally referred to as the "Vardon Grip" golf swing.

The "Vardon Grip," as you know, has the club being held in the crease where the fingers meet the palm in the left hand. The right hand is then crossed extensively over the left hand and then the last finger of the right and first finger of the left are interlocked or overlapped. The problem with the "Vardon Grip" is that it causes unnatural swing motions with the human anatomy and causes the swing to come in on multiple planes which unnecessarily over complicates the swing making it difficult to master. Most amateurs never master the "Vardon Grip" swing and seldom improve their game no matter how many years they play.

But we also found the new natural swing also had major flaws. The stance, address and length of the backswing caused distance and control problems as mentioned.

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Senate Keeps Tobacco Crop Insurance¹

AP Farm Writer

Wednesday, July 23, 1997; 7:40 p.m. EDT

By Curt Anderson

WASHINGTON (AP) -- In an early congressional skirmish on tobacco, the Senate rejected an effort Wednesday to end crop insurance for tobacco growers and refused to boost money for a campaign to prevent teen-agers from buying cigarettes.

The struggle could foreshadow the contradictory tobacco interests that will compete if the \$368 billion settlement of health-related lawsuits against cigarette companies reaches Congress later this year.

"It is almost impossible to explain why the government is subsidizing the growth of a product that the government tells people is dangerous to consume," said Sen. Dick Durbin, D-Ill., sponsor of the crop insurance measure.

The Senate voted 53-47 against the tobacco insurance amendment and 52-48 against the effort to increase funding for the cigarette prevention program. The action came during debate on a \$49.6 billion spending bill for the Agriculture Department and related agencies for fiscal 1998.

The House was also considering its version of the bill and similar amendments, but the timing of votes was uncertain.

The Senate amendment to end subsidies for crop insurance, estimated at \$34 million, would have affected about 89,000 tobacco farmers and would also have prevented them from collecting government disaster payments for losses because of floods, droughts and pests.

Tobacco-state senators argued that abolishing insurance for growers would force many to stop cultivating the crop and

damage the economies of rural areas. And the cigarette companies, they said, would simply get their tobacco from overseas or from large operations that can afford private policies.

"This amendment will not stop one person from smoking," said Sen. Wendell Ford, D-Ky. "American farmers go out of business and whole communities in the South die."

Ford and his allies argued that Congress should wait until the larger tobacco settlement reaches lawmakers to decide the future of government programs affecting the crop.

Durbin, however, said tobacco is different from the 66 other crops that receive insurance subsidies because of the multiple health problems it causes -- problems the government spends billions of dollars trying to solve.

"Tobacco is perfectly legal. But tobacco is also perfectly lethal," Durbin said. "You have to eat a lot of corn and soybeans to die."

Durbin, who sponsored the 1987 law that ended smoking on domestic airlines, said growers should be on notice that efforts to abolish the subsidy will continue.

"I think the tide of history is on my side. We're going to win this battle," he said.

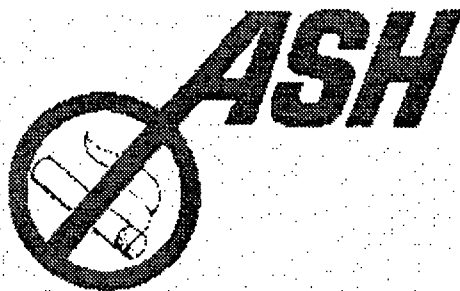
The Senate later rejected an amendment by Sen. Tom Harkin, D-Iowa, that would have increased from \$4.9 million to \$34 million the money to help states enforce new rules requiring retailers to check photo IDs to prevent those under 18 from buying cigarettes.

"A key factor in teen-age smoking is that it is far too easy to get tobacco," Harkin said. He added that 4.5 million children between ages 12 and 17 now smoke.

Under Harkin's amendment, the \$34 million sought by President Clinton for the Food and Drug Administration would have been obtained by boosting the current 1 percent government assessment on tobacco growers to 2.1 percent and shifting it entirely to tobacco companies.

The bills are S.1033 and H.R. 2160.

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PLEASE HELP ALMOST DOUBLE FEDERAL CIGARETTE TAX [07.19.1]
And Learn How to Contact Your Members of Congress

A proposal passed by the U.S. Senate would almost double the current federal cigarette excise tax from 24 cents to 44 cents a pack.

However, the U.S. House has not passed a similar provision.

~~Thus, while the matter is before a congressional conference committee, even a small number of calls, faxes, and E-mails can make a big difference.~~

~~Therefore, YOU can help to make the difference by contacting your representative in the House of Representatives and telling him or her how you feel about a cigarette tax increase. PLEASE ACT TODAY!~~

l o k m o m

By the way, learn how easy it is to contact the people who represent you in Congress, and also to keep up to date on congressional doings.

Please check out the menu in the left column, and click your mouse on the heading **"Info Re Congress."** This will provide you with the information you need.

Help spread the word.

Below are excerpts from an article on the tax and the industry's vulnerability:

FOR BIG TOBACCO, DEFENSES ARE DOWN ON CAPITOL HILL; ABILITY TO WARD OFF CIGARETTE TAX RISE ERODED by Ruth Marcus, Washington Post, 7/19/1997

Big Tobacco may be in big trouble on Capitol Hill.

For years, the industry -- aided by generous campaign contributions and a platoon of lobbyists -- was able to fend off most efforts to increase cigarette taxes. But now, those on Capitol Hill and in the industry say, the politics of tobacco appear to have changed.

As a result, the industry, having already agreed to pay \$ 368 billion to settle lawsuits against it, is facing the biggest cigarette tax hike in its history. The tax increase, approved by the Senate, is the first in seven years and would nearly double the current 24 cents per pack levy to 44 cents.

Estimated to raise \$ 15 billion over five years, the increase is contained in the Senate version of a tax bill being negotiated in a congressional conference committee. About \$ 8 billion of the \$ 15 billion in additional revenue is earmarked to help fund health care for low-income children, the remainder to relieve the tax burden on airlines, real estate and the working poor. President Clinton has added potent support

by endorsing the tax increase, though he demands that all the revenue go to children's health.

"It's become a political negative to support tobacco," said former Senate Finance Committee chairman Bob Packwood (R-Ore.), now a Washington lobbyist. In the past, he said, "Somebody comes and says, 'I've got 18,000 small tobacco farmers in my state and this is just critical to me and can you help me,' and it's a low-level issue, you're inclined to help." But now, said Packwood, "Tobacco has risen in the public consciousness so that it's now a more significant issue, so it's not a free vote."

But one of those at the meeting, Rep. Jim Bunning (R-Ky.), acknowledged the difficulty of the task. "There's a lot more pressure on members from the tobacco states" to fend off anti-tobacco initiatives.

However, Rep. Bill Archer (R-Tex.), who chairs the tax-writing Ways and Means Committee, does not exactly sound like he is going to the mat to get the tax increase out of the bill being worked out between the Senate and House. "He is not a fan of cigarettes and he is not a fan of tax increases but we need to reach an agreement and he will approach the issue with an open mind," spokesman Ari Fleischer said.

Senate Majority Leader Trent Lott (R-Miss.), who says he would like to see the cigarette tax increase dropped from the package, pointed up the difficulty of losing the \$ 15 billion in revenue. "Every time you take something out and move it around, you create a void," he said.

One congressional tax expert said the result in the conference committee was "very tricky to predict. . . . probably the safer route is to do the tax, spend some of the money on kids' health and inoculate yourself against having to deal with the issue every month between now and the '98 election. The big question mark is can you do that and not lose too many Republican votes in the House."

Whatever the outcome, the fact that a tax bill containing such a large cigarette tax sailed through the Senate -- the vote was 80 to 18 -- underscores the dicey political situation in which the industry finds itself.

At the same time, Republicans, though the beneficiaries of the bulk of the industry's political largess, fear that the children's health issue may become, as one Senate aide put it, "this year's minimum wage," a stick with which Democrats could beat the GOP week after week and inflict massive political damage.

Tobacco is an appealing target to help fund the children's health initiative proposed by Sens. Orrin G. Hatch (R-Utah) and Edward M. Kennedy (D-Mass.), especially since the industry has agreed to help pay children's health costs as part of the lawsuit settlement.

A 20-cent-per-pack tax increase may look good to the industry in some ways. Kennedy, for example, pushed a 43-cent-per-pack increase, and a \$ 2-per-pack tax has been proposed by a panel headed by former surgeon general C. Everett Koop and former food and drug commissioner David A. Kessler.



BY WILLIAM CLAIBORNE—THE WASHINGTON POST

of Tauromaquia co-founder Peter Rombold is the bull to the
cia Slane, who will become the academy's first graduate next
bullfighting is illegal in the state, students train on school sandlot.

"That's what you want, charge." She did allow, e bulls she saw during a Tj ia "looked pretty

old Rombold, who said oked on bullfighting at his father took him to de Toros, said he had to urs to overcome an en al bias in the predomi rld of bullfighting and ooney calls "an Ameri e of only about a half- glo amateur matadors e a sizable number of

ed his life to *tauroma- e of bullfighting, travel- d buying his own bulls n afford it. An average can cost from \$700 to bred bulls fetch*

aid he became a bull- while living for seven ere he was profoundly 1984 fatal goring of t major Spanish bull- he ring in years. Coon ticket to bullfights, aficionado practico, s with which to hone becoming an amateur

ateur bullfighting is ularity in Spain, the d in Latin America, it pr here, Cooney he Portuguese com- ia's San Joaquin Val- D bloodless bullfights is a school in San tes Americans on the bullfighting and ar- ican bullfights

worker for People for the Ethical Treat- ment of Animals (PETA), said the acad- emy here was engaging in "utter hypoc- risy by teaching something that's illegal in our country and defending it by saying they're actually doing it some- where else.

"The intent is the same, to torture and kill animals. Killing animals for pure fun is just wrong, and it doesn't matter what cultural guise it's done under," she said.

But Cooney is convinced there is a latent fascination of bullfighting among Americans that is driven partly by a romantic attraction to the cultural heritage of the sport and partly by the growth of such risky pursuits as glacier snow-boarding and all-terrain skate- boarding.

"I want to do with bullfighting what Americans always do with imported activities: make it really serious. I'm selling a European lifestyle," said Cooney, whose academy charges \$500 tuition for a three-month course. Beside practicing cape technique and matador moves in the ring, students study videos of renowned matadors in action and attend bullfights in Tijuana.

Cooney said that as Californians of Hispanic origin approach a majority of the population early in the next century, pressure will increase on state legisla- tors to relax the laws banning the sport.

Kouostas said he views bullfighting as an extension of his love for adventure that has led him to telemark skiing, mountain biking and travels through Cambodia. "This will be the pinnacle of extreme," he said.

Although he sometimes fantasizes about becoming a professional mata- dor, Kouostas will settle for amateur status as a hobbyist.

At Sena e 'obacco Hearii g, Warnings of a 'Trojan Camel'

Others Urge Lawmakers Not to Miss Chance

By John Schwartz
Washington Post Staff Writer

Is the proposed tobacco settle- ment a "historic opportunity" or a "Trojan camel"? Both views were voiced yesterday at a Senate Judi- ciary Committee hearing on the controversial deal.

Minnesota Attorney General Hubert H. Humphrey III, who opposes the settlement, urged the senators not to approve the deal until they have reviewed many of the 30 million pages of tobacco industry documents he amassed as part of his state's lawsuit against cigarette makers.

The documents are not just "smoking guns," but "smoking howitzers" that contain highly em- barrassing information about the industry but might never be re- leased if the proposed settlement is approved, he said.

Sen. Patrick J. Leahy (Vt.), the committee's senior Democrat, said there should be "no immunity without full disclosure" and the panel should try to get the Minne- sota documents. Chairman Orrin G. Hatch (R-Utah) agreed but stopped short of saying he would subpoena the papers.

Hatch said the proposal needs "fine tuning" but voiced cautious support for the settlement and said his staff already is drafting legislation based on the proposal.

The hearing was the second of three Hatch has scheduled to ex- amine the national settlement pro- posal, which calls for the tobacco industry to pay \$368 billion and accept a wide range of new restric- tions on marketing and advertis- ing in exchange for protection against some kinds of lawsuits.

Most of the criticism of the proposal has focused on the limi- tations it would impose on the authority of the Food and Drug Administration to regulate nico- tine in cigarettes, and the severity of penalties that can be imposed if the industry doesn't meet targets for reducing underage smoking.

The accord also would prohibit future class-action and group la- suits against the industry. Individ- uals could sue, but the annual industry payout could not top \$5 billion; in return for a onetime industry payment of \$50 billion, the deal also would not allow

punitive damages in individual lawsuits over the industry's past acts.

Proponents of the deal argued that its public health benefits go further than any lawsuit. Attorney Stanley Chesley of Cincinnati, who helped negotiate it, said, "I could win a case in Ohio, but not stop advertising in New York."

Attorney General Gale A. Nor- ton of Colorado said if no settle- ment is reached, lawsuits proba- bly will bankrupt the tobacco companies, leaving new compa- nies to pick up the business. Those firms might have less inter- est in cooperating with govern- ment initiatives than today's in- dustry, Norton said, and the internal tobacco industry docu- ments would then be useless, be- cause they would have no bearing on the activities of the new own- ers.

Richard Scruggs, a Pascagoula, Miss., attorney who represented his own state and 19 others against the industry, testified yes- terday that the plan presents an "historic opportunity" to improve public health. No one has yet won punitive damages from the tobacco industry, he said, and the Su- preme Court has significantly nar- rowed the ability to bring class-action suits. "Our goal was to trade largely illusory rights for public health gains," Scruggs said.

Humphrey told the senators, however, that the tide is turning against the tobacco industry, with each new revelation about indus- try practices making victory more likely for plaintiffs.

Humphrey called the proposed deal "a Trojan camel" that would boost the industry's stock prices and endanger "a once-in-a-lifetime opportunity to redefine America's love-hate relationship" with tobacco. He urged lawmakers to follow the tobacco policy blueprint pro- duced by a commission headed by former surgeon general C. Everett Koop and former FDA chief David A. Kessler.

FOR MORE INFORMATION

To read state lawsuits against the tobacco industry and study supporting documents, click on the above symbol on the front page of The Post's Web site at

www.washingtonpost.com

The Wash. Post - Thurs. 7/17/97 P. A3

World-Wide

World-Wide

666 Words

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* 07/17/97

The Wall Street Journal

A1

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SENATE HEARINGS FOCUSED on intelligence briefings for John Huang.

Jeffrey Garten, a former Commerce Department undersecretary, told the panel he was surprised that Huang was given hundreds of CIA reports on Asia. Democrats, however, elicited testimony undermining the theory that Huang spied for his former Indonesian employer, Lippo Group, which has connections with China. Lippo executive James T. Riady said the China ties are "pure business."

Huang didn't request any of the briefings, turned down an offer of a higher security clearance and didn't show much curiosity, a CIA officer testified.

U.N. chief Kofi Annan presented his long-awaited reform program. The plan proposes measures to streamline bureaucracy, reduce staff and cut spending, but it is unlikely to satisfy critics on Capitol Hill. No mention is made of the Senate's demand, backed by the White House, that American dues be reduced.

* Newt Gingrich cast doubt on prospects for the proposed tobacco

settlement, saying it could "suspend free speech, raise taxes, and

transfer wealth to trial lawyers." At a minimum, he signaled that

Congress might be unable to approve any version of the \$368.5 billion

accord this year, which could undermine the deal.

Clinton extended a ban on lawsuits against foreign companies investing in Cuba for another six months. It was the president's third waiver of the provision in the Helms-Burton law. Many allies, including European nations and Canada, are angered by the law, which they say tries to impose American foreign-policy goals on them.

A U.S. soldier was stabbed in Bosnia, in the first direct assault on peacekeeping troops since NATO launched a raid on Bosnian Serb war-crimes suspects last week. The knife attack followed a grenade explosion outside the home of a U.N. employee, the third such blast in three days.

Cambodia's foreign minister agreed to serve as coup leader Hun Sen's co-premier, though he is unlikely to wield power. Ung Huot is part of ousted Prince Ranariddh's party, but observers called the move a sham

and noted most members of the party have fled. In Washington, the State Department said it won't recognize the appointment.

Boris Yeltsin signed a series of decrees aimed at cutting the size of Russia's armed forces by nearly one-third to 1.2 million troops. The steps, which Russian media said also include reorganizations of land, air and missile divisions, are part of Yeltsin's bid to ease the cash crunch on his government. He also installed plans to boost tax collection.

North Korean troops fired mortar rounds at a South Korean border post during a heavy exchange of gunfire. The incident, sparked when 14 North Korean soldiers crossed the border, was the most serious since a manhunt in September for the crew of a grounded North Korean submarine.

Kenyan President Moi agreed to meet with opposition leaders next week, an attempt to end violent protests by religious and political groups demanding democratic reforms. But officials from some groups said they won't abandon plans to pressure the government ahead of elections this year.

Hong Kong's new legislature suspended a series of labor laws passed by its elected predecessor. The laws gave workers rights to collective bargaining, among other things. Lawmakers were forced to adjourn their debate briefly when a small group of protesters stormed the public gallery.

Ukraine's parliament confirmed Valery Pustovoitenko as prime minister after the ally of President Leonid Kuchma vowed to work with lawmakers. The appointment may cool fighting between Kuchma and the legislature, but the premier is considered unlikely to jump-start economic reforms.

Northern Ireland Protestants left peace talks, insisting the British and Irish governments aren't addressing their demands that IRA forces disarm. The three pro-British, Protestant parties didn't say when, or if, they would return to the negotiations.

Spanish officials banned rallies planned for this weekend by supporters of the Basque separatist group ETA. Authorities fear the rallies, coming on the heels of ETA's killing of a young ruling-party politician Saturday, could cause violent clashes nationwide.

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Politics & Policy

* Gingrich Doubts Proposed Tobacco Accord Will Pass

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WASHINGTON -- House Speaker Newt Gingrich cast doubt over prospects

* for the proposed tobacco settlement, criticizing the pact as "some insider deal cut in a backroom" that might "create a monopoly, suspend free speech, raise taxes and transfer wealth to trial lawyers."

In his first extended remarks on the subject, Mr. Gingrich signaled in an interview that at a minimum Congress might be unable to approve any version of the settlement this year. It will take "months" for

* various House committees and a contemplated "tobacco negotiation task force" to pour over details of the proposed \$368.5 billion deal, he said. Advocates of the settlement have warned that delaying its passage into the next year could undermine the deal.

On another issue that figures prominently in continuing budget deliberations, the speaker ruled out House acceptance of a Senate-passed proposal to begin shoring up Medicare's finances by charging affluent beneficiaries higher premiums to cover doctor visits.

Alternately feisty and philosophical, Mr. Gingrich spoke in an interview on a day in which he appeared to have dodged one potential political embarrassment and another possible threat to his speakership. Rep. Jim Nussle of Iowa, who sought to capitalize on unhappiness with Mr. Gingrich, was defeated handily by the speaker's ally, Rep. Jennifer Dunn of Washington, in a vote among House Republicans to pick a new vice chairman of the House Republican Conference. Though an obscure affair to most Americans, the election was watched in Washington as a test of Mr. Gingrich's command of his troops. At the same time, more senior GOP leaders rallied behind Mr. Gingrich in the wake of fresh indications that dissident Republicans had pursued an effort to oust him from power even before the 105th Congress reaches its midpoint.

Mr. Gingrich said he has grown to expect "a fire every day" as he balances the demands of his party's ideological factions while sharing power with a Democratic president. But after enduring the turmoil that has surrounded him since his poll ratings began plummeting two years ago, he smiled away suggestions that he'll be toppled any time soon. "When you come back next time to do the interview, I'll be speaker," he predicted. Steeling fellow Republicans for the "very long game" of defining and pursuing new goals to follow the Contract with America, he added that "my expectation would be that I will serve until 2002."

Indeed, the former college professor cast his political difficulties

as a function not of his own shortcomings, but rather of larger historical forces: the narrow GOP majority that has followed four decades of Democratic rule in Congress, the ascension of a conservative movement more accustomed to opposition than to governance and the explosion of a "micro-media" culture that has made him the most conspicuous House speaker since Henry Clay while providing endless opportunity for critics to gain attention at his expense.

"Part of what you're covering is the nature of the late 20th century in a body like this," explained the 54-year-old Georgia Republican. At another point, he noted, "I'm an alien in 'Men in Black,'" citing the use of his picture in the popular movie "a nontrivial" illustration of his notoriety.

* But Mr. Gingrich's most striking comments concerned the tobacco settlement, about which he and other GOP congressional leaders had previously been very cautious. People involved in the negotiations generally have assumed that the GOP leadership would back any settlement

* accepted by the tobacco companies, which had been strong financial and ideological allies of the Republican Party. Senate Majority Leader Trent Lott, a brother-in-law of one of the lawyers negotiating the settlement, helped to fuel those impressions by predicting after the initial announcement of the deal that "at least at the outset it will be viewed basically favorably."

To the contrary, Mr. Gingrich implied in the interview that the deal's proposed restrictions on cigarette-company advertising and marketing may violate the First Amendment right to free speech. Echoing concerns voiced by the chairman of the Federal Trade Commission, he further suggested that the deal could lead to a "permanent monopoly," apparently referring to a provision that exempts cigarette companies from antitrust laws.

"To the degree that it benefits children's health, I think it's good," Mr. Gingrich said. "To the degree that it is a device by which a handful of corporations seal off future competition and seal off future lawsuits and a small group of lawyers get very rich, I think it's bad." He noted that some of the settlement's benefits, such as the cessation
* of tobacco advertising campaigns appealing to children, "shouldn't require legislation." And he took repeated aim at the yet-undetermined fees -- which could reach into the billions of dollars -- that antismoking plaintiffs' lawyers stand to collect for their role in winning financial settlements for their clients in return for limits on
* the future liabilities of tobacco companies.

While Mr. Gingrich spoke, jousting continued on Capitol Hill among various parties to the settlement. Mississippi Attorney General Michael Moore announced that he and other attorneys general were drafting their own version of legislation codifying the deal, in hopes of preventing a
* parallel effort by tobacco-company lawyers from tilting congressional action in the industry's favor. At the same time, Minnesota Attorney

General Hubert Humphrey III denounced the settlement as "a Trojan camel" protecting the industry as the Senate Judiciary Committee held its second hearing on the matter.

* Mr. Gingrich's criticism of the proposed tobacco settlement contrasted with the reaction so far from President Clinton, whose support is seen as critical to legislative passage. Mr. Clinton has made only a very narrow critique of the accord, saying a provision requiring the Food and Drug Administration to prove that government regulation of the nicotine level in cigarettes won't create a black market was unacceptable.

Administration officials say President Clinton hopes to negotiate changes to the agreement that will make it possible for him to back it without alienating the public-health community. But Mr. Gingrich's remarks suggest that, even if the president does embrace a deal, it still could meet strong resistance in Congress.

For example, Mr. Gingrich scoffed at one of the president's key demands -- that provisions in the settlement governing the FDA's
* authority to regulate tobacco be strengthened. "I'd think a long time about giving them more power until they do their job," the speaker said. He went on to insist that legislation overhauling the FDA be passed before considering any bill that will codify the agency's authority to regulate nicotine.

Turning in the interview to budget talks, Mr. Gingrich drew distinctions with the positions of the Republican-led Senate as well as with the Democratic president. He cited "very strong resistance" in the House to the Senate proposal to raise \$15 billion over five years by increasing cigarette taxes 23 cents a pack, largely to finance expanded health insurance for children. House GOP leaders, in fact, met in Mr.
* Gingrich's office later with a group of lawmakers who oppose the tobacco tax. And he rejected as premature the Senate's proposal to charge couples with incomes over \$75,000 higher Medicare premiums for doctor's visits.

"Won't happen," Mr. Gingrich said flatly. He noted that Congress has already moved toward such "means testing" by eliminating a previously existing cap on the amount of individual incomes subject to Medicare hospital taxes, and indicated that further changes now could undermine the universal character of the program. Instead, the speaker said consideration of such steps should await appointment of a bipartisan commission to craft comprehensive Medicare reforms once the current budget negotiations are complete.

At the same time, Mr. Gingrich signaled that the House ultimately may move toward some version of a compromise to meet Mr. Clinton's demand that working families without income-tax liabilities benefit from the GOP's proposed \$500-a-child income tax credit. But Mr. Gingrich reiterated the arguments of Republicans who have denounced that idea as "welfare," and said an existing program to give such families tax

credits already is rife with errors and fraud. He insisted that the GOP ultimately could best Democrats on the subject despite recent polls highlighting the party's vulnerability as the perceived champion of well-to-do Americans.

"I don't worry in the summer of 1997 about winning an argument that will affect the election of 1998," he declared. While Mr. Clinton may hold out for concessions on the subject -- in hopes of holding liberal Democratic support behind Vice President Al Gore's own White House aspirations, Mr. Gingrich asserted -- "he will never win the end fight when people understand what this is doing."

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DOCUMENT 4 OF 8

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Marketing & Media

Last Call

87 Words

1063 Characters

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A Los Angeles Superior Court judge decided that Anheuser-Busch's promotion that gives away chilled-beer dispensers and mugs to collectors of Budweiser bottle caps violated the state's Professional and Professions Code. But the judge allowed Anheuser to complete its current promotion, which is slated to end in the fall.

California state officials had complained that Anheuser's tactic looked like a "frequent drinker" program. Anheuser said in a statement that similar promotions have been around for a while and that the guidelines "need to be clear and consistent."

I0607 * End of document.

DOCUMENT 5 OF 8

J9719800041

International

Margarine Deal in U.S.

Butters Up Share Price

150 Words

1509 Characters

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HELSINKI, Finland -- Shares of Finnish food company Raisio Group have jumped 52% in the two days since the company licensed the U.S.

Statement of Rep. Henry A. Waxman

June 12, 1997

Today, I am releasing a report that describes previously secret documents from tobacco industry attorneys. These documents are evidence that the tobacco industry has engaged in potentially criminal or fraudulent conduct.

I am taking this action because I believe the public has the right to know the full truth about the tobacco industry. I am also taking this action because I want to call attention to an essential -- but overlooked -- element of any settlement with the tobacco industry: the public disclosure of internal tobacco company documents.

It is inconceivable to me that any deal with the tobacco industry would allow the tobacco companies to avoid having to disclose the internal attorney-client documents that contain evidence of criminal or fraudulent conduct by the companies. But if what I have heard is true, this is exactly what the tobacco companies are now seeking. They want a settlement that would be the biggest cover-up of all time -- one that would protect them from having to release attorney-client documents that five different courts have ruled show evidence of criminal or fraudulent conduct.

The report that I am releasing today describes attorney-client documents from Liggett & Myers Tobacco Company. These documents show that Liggett had by the late 1970s developed a cigarette with what the lawyers called "major health benefits." According to the lawyers, Liggett's new cigarette "achieved an effective reduction of up to 88% of non-cancerous tumors and up to 100% of cancerous tumors."

Nevertheless, despite recognizing the potential health benefits, Liggett's general counsel intervened to block the marketing of the new cigarette. According to a memorandum written by the general counsel, marketing the new cigarette could "incite accelerated cancer litigation which may, in turn, result in infinite liability." The general counsel also said that marketing the new cigarette by Liggett could "obliterate its defense" and create "enormous risks" and "vast amounts of monetary liability."

The documents also show that Liggett's lawyers censored Liggett's communication of health effects to doctors because such a communication could "knock the props from under us in future litigation." Moreover, the lawyers prevented Liggett managers from making public statements about health risks that would "contradict our position that there is no scientific proof of any cause and effect relationship between smoking and health."

These Liggett documents provide only a glimpse of the role of the tobacco lawyers. As significant as these documents appear to be, they are not the most important of the Liggett documents. Liggett has a log of over 3,500 attorney-client documents that describe Liggett's joint defense strategies with other tobacco companies. None of the Liggett documents that we have reviewed include any of these joint defense documents.

Moreover, the court in the Minnesota litigation has ruled that 150,000 tobacco company attorney-client documents must be reviewed for evidence of crime or fraud. The limited number of attorney-client documents that I am releasing today cannot begin to capture the full extent of tobacco industry deception contained in these still-secret documents.

The implications of the documents I am releasing are clear, however: we will never know the full truth about the tobacco industry's attempt to defraud the public until the attorney-client and other secret internal tobacco company documents are disclosed.

For this reason, I am also taking another step toward full disclosure. Today, I will introduce new legislation that would insure that there is no cover-up of past wrongdoing -- and that the tobacco industry can never again successfully deceive the American people.

The bill I am introducing is called the Tobacco Accountability Act. It would establish a 5-member Tobacco Accountability Board to be appointed by the Secretary of HHS. This Board will have no regulatory authority over tobacco products, but it will have subpoena powers and other investigative authorities. It will have three simple responsibilities. First, it will be directed to obtain and release to the public tobacco industry documents that contain evidence of criminal or fraudulent conduct by the tobacco companies -- including attorney-client documents.

Second, the Board will be charged with investigating the future conduct of the tobacco industry to insure that the companies never again conceal health research or deceive the public.

Third, the Tobacco Accountability Board will designate a representative to attend and participate in all meetings of the board of directors of the tobacco manufacturers. The purpose of this provision is to insure that there is always a public health voice present in future company deliberations.

It is essential that any tobacco settlement provide for full disclosure by the tobacco companies -- including disclosure of attorney-client documents that contain evidence of criminal or fraudulent behavior. The legislation that I am introducing today is a model for insuring exactly the full disclosure that the public health community has called for.