

Tobacco
Kids Smoking Price -
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Here is a transcript of an ABC News story from last night, May 19, that mentioned two Philip Morris documents demonstrating that the tobacco industry knows that raising prices will cause a decline in youth smoking. A Philip Morris strategic planning document from the early 1990s states: "There is no question that increasing taxes will cause a decrease in smoking. This point is best illustrated by the present situation in Canada." In another document from five years earlier, a Philip Morris analysis of price increases concluded: "Price increases prevented 600,000 teenagers from starting to smoke. We don't need to have that happen again." We are trying to get the actual documents.

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5TH STORY of Level 1 printed in FULL format.

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ABC NEWS

SHOW: WORLD NEWS TONIGHT WITH PETER JENNINGS (6:30 pm ET)

MAY 19, 1998

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HEADLINE: WILL PRICE INCREASE DETER TEEN SMOKERS?

BYLINE: AARON BROWN, PETER JENNINGS

HIGHLIGHT:

DEBATE OVER RAISING PRICE PER PACK BY \$1.50

BODY:

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PETER JENNINGS: In Washington, there has been another round of testy debate in the Senate about a bill to regulate tobacco.

(voice-over) This one that would raise the price of cigarettes by \$1.50 a pack. Those in favor, including that senator, say that if cigarettes are more expensive, teenagers would buy fewer.

(on camera) The tobacco companies say that price is not a factor. Mind you, that's not what they've always said. Here's ABC's Aaron Brown.

AARON BROWN, ABC News: (voice-over) The industry argues that where underage smoking is concerned, the most basic law of economics does not apply -- charging more will not mean selling less.

STEVEN GOLDSTONE, Chairman & CEO, RJR Nabisco: As parents, we know that the reasons kids smoke aren't related to price.

AARON BROWN: (voice-over) In fact, industry ads argue, steep price increases will only make the problem worse.

NARRATOR (Tobacco Industry TV Ad): There will be a black market in cigarettes with unregulated access to kids.

AARON BROWN: (voice-over) The industry cites Canada as proof. In the early '80s, when Canada increased cigarette prices, a black market did emerge. But something else happened in Canada the tobacco industry does not mention.

DAVID SWEANOR, Non-Smokers' Rights-Canada: The price went up in Canada, consumption among teenagers plummeted.

AARON BROWN: (voice-over) The number of kids who smoked every day dropped by 60 percent in little more than a decade.

(on camera) The tobacco companies know this. The evidence of their knowledge is contained in their own files. This Philip Morris strategic planning document from the early '90s states it simply.

(voice-over) "There is no question that increasing taxes will cause a decrease in smoking. This point is best illustrated by the present situation in Canada." Five years earlier, a Philip Morris analysis of price increases concluded, "Price increases prevented 600,000 teenagers from starting to smoke. We don't need to have that happen again."

Today, Philip Morris tells a different story.

STEVEN PARRISH, Senior, Vice President, Philip Morris: There are a lot of things that have an impact on whether a kid is going to smoke. Price is not the only thing.

AARON BROWN: (voice-over) And no one on the anti-tobacco side claims it is. But they do say this...

DAVID SWEANOR: If there is anything more effective at reducing smoking among kids than price, we haven't found it yet.

AARON BROWN: (voice-over) And neither has anyone else. Aaron Brown, ABC News, New York.

PETER JENNINGS: Some other news today. The government has released its first study on the safety...

(voice-over) ...of those so-called personal watercraft, including things like jet skis and waverunners. They represent now a third of all new boats sold. To cut down on accidents, the government recommends the Coast Guard establish safety standards. The vast majority of people who have accidents had no safety instruction.

(on camera) Overseas in Belfast today, rock 'n' roll to promote peace.

BONO, U2: (singing) Just give peace a chance.

PETER JENNINGS: (voice-over) The familiar sounds of U2, including Bono, from Dublin sharing the stage with Protestant and Catholic politicians to encourage support for an historic referendum to be held Friday on the Northern Ireland

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peace agreements that were negotiated with American help in April.

(on camera) In just a moment, is the government doing enough to make sure the drugs we take are safe? We have an ABC News investigation.

(Commercial Break)

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