

THE WHITE HOUSE

WASHINGTON

June 1, 1994

Professor Paul Sarvela  
Director  
Office of Economic  
And Regional Development  
Southern Illinois University At Carbondale  
150 Pleasant Hill Road  
Carbondale, Illinois 62901

Dear Paul:

Thank you for your letter regarding my health security proposal and the proposed excise tax on tobacco products.

As in the past, the primary source of funding for health care will be the contributions of employers and employees to their own private health care plans. Additional financing will come from savings derived from a federal government that works better and spends less.

Another contribution to financing the proposal will be a tax on tobacco products. I think this is a fair and reasonable source of funding for health care reform, given the direct, quantifiable effects of tobacco on our nation's health. Tobacco use and smoking have a devastating effect on health and health care costs -- one in five deaths is caused by smoking-related illnesses, and lifetime medical expenditures for smokers exceed those of non-smokers by an average of 28 percent. In fact, 18 percent of all medical expenditures are spent providing health care to those suffering from smoking-related diseases. There is no question that tobacco use adds significantly to our nation's health care bill.

For reform to be both successful and lasting, everyone -- starting with those who profit from the current system -- must take responsibility for being part of the solution. We must have the courage to embrace this new direction and produce a health care system that is built to provide for all Americans now and in the future. I hope you will work with us to make health security a reality.

Sincerely,

A handwritten signature in cursive script, reading "Bill Clinton". The signature is written in dark ink and is positioned at the bottom of the letter, below the typed name "Bill Clinton".