



FOR THE ATTENTION OF NEWS EDITORS
IMMEDIATE BUDGET COMMENT

2 Grosvenor Gardens London SW1W 0DH
Tel: 0171 823 6550 Fax: 0171 823 4534

News Release

'DON'T QUIT BRITAIN' IS THE MESSAGE TO SMOKERS FROM THE NEW CHANCELLOR

For the first time in living memory the Chancellor has announced an increase in tobacco taxes - in five months time instead of the usual "by 6.00 p.m. this evening".

FOREST, the smokers' rights group, believes that this is a clear indication that Government doesn't want smokers to quit buying British by going abroad to buy their tobacco products, and a recognition by the Government that high taxes cause smuggling.

The promised review of all tobacco duties, which will report in January 1998, suggests that the Government now recognises that high tobacco taxes encourage smuggling. In April Mario Monti, European Union Commissioner responsible for customs and taxation, said that to eliminate the high tax differences between tobacco products in the UK and the rest of Europe would require an "unrealistically" large increase in other countries and that the UK needed to recognise that "tackling the problem of [tobacco smuggling] may require reducing national rates and/or improving control measures".

"The Chancellor seems intent on boosting Britain and encouraging people to buy British. The bottom line is that he doesn't want smokers to quit Britain," said Marjorie Nicholson, Director of FOREST.

She continued: "The promised review of tobacco taxes indicates that this Government may be more willing to consider the views of Britain's 15 million adult smokers, although it does seem a bit odd that the 19p increase on a packet of 20 cigarettes will be introduced a month before this review appears. So, up to 1st December it will be a bonanza for smokers, and after 1st December it will be a Christmas bonanza for the smugglers."

For further information contact:

Juliette Wallbridge	(London)	0171 823 6550 (office)	0181 427 9107 (evening)
Martin Ball	(London)	0171 823 6550 (office)	0181 983 6317 (evening)
Brian Monteith	(Scotland)	0131 467 4040 (office)	0131 669 5328 (evening)

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