

Tobacco industry's ad blitz helps sink ballot measure

By Jim Christie, Reuters

SAN FRANCISCO – California voters narrowly rejected a ballot measure that would have added a \$1 tax to a pack of cigarettes in the state's primary election Tuesday, an outcome observers attributed to a \$47 million ad blitz by the tobacco industry.

The measure, known as Proposition 29, was defeated 50.8 percent to 49.2 percent on a day of light voter turnout, according to election results posted on Wednesday by California's secretary of state. Some absentee and other ballots remained to be counted.

The result reflected a long-standing political divide in California, with San Francisco Bay area counties heavily supporting the measure, while conservative suburban counties in more populous Southern California overwhelmingly opposed it.

Revenue from the proposed tax, estimated at \$735 million in its first year, would have supported medical research on tobacco-related diseases and programs to prevent and control tobacco use.

The measure, championed, among others, by the American Cancer Society and cycling great and cancer survivor Lance Armstrong, had enjoyed a commanding lead in polls earlier in the year.

But opponents, led by Altria's Philip Morris and Reynolds American Inc, vastly outspent their rivals, blanketing the airwaves in much of the state in recent weeks with a message that cast doubt on how the new tax revenues would be spent.

The result mimicked a 2006 effort at increasing tobacco taxes,

which voters also rejected after a fierce industry-sponsored ad campaign.

California voters last approved a measure to increase the state's tobacco tax in 1998. It narrowly passed.