

Remarks of Mr. Ron Turk III Revestment of
As delivered @ June 6, 1991 Investments
Board meeting.

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speak to dilly or glover first
217-785-18731

Distinguished members of the Board of Regents, my name is Ron Turk and I just graduated from the University of Texas at Austin, where I studied Government. As the founder of Students Against Tobacco Investments, I have spent several hundred hours of my own time dedicated to the issue you will vote on today: divestiture of the U.T. Systems tobacco stocks and bonds.

Those who consider this issue tantamount and have expressed their support for tobacco divestiture for U.T. include the Chairman of the State Board of Health, Dr. Ron Anderson, who is also the CEO of Parland Memorial Hospital in Dallas The Texas Medical Association

The Former Surgeon General of the U.S., Dr. C. Everett Koop, who singled out U.T. for treating 10,000 ^{smokers} individuals at M.D. Anderson Cancer Center every year while it owns \$50 million in tobacco stock,

The State Board of Health, which unamously adopted a resolution recommending divestiture,

Additionally, the Director of Texas War on Drugs, General Robinson Risner,

as well, Governor Ann Richards ^{by} has stated "~~I do not believe that it is good public policy for state institutions to have major holdings in the tobacco industry. Thus becomes clear how incredibly important tobacco divestiture has become.~~"

for U.T.

What is important on a personal level though is the people who know who have died of tobacco smoking

It is to the advantage of the tobacco companies for people to believe that they have diversified. This is just simply not the case. The four major U.S. companies sold \$32.5 billion worth of cigarettes in 1988, and almost 70% of their profits were from tobacco. 72% of Philip Morris' profits resulted from tobacco sales in 1989. Almost 70% of R.J. Reynolds profits are from tobacco as well, and the company predicts that, by 1998, their tobacco sales will double and their tobacco profits will triple. Undeniably, investments in Philip Morris and R.J. Reynolds are investments in tobacco. ^{NOT from Fruit Food} It is such high percentage of profits from tobacco - ^{cookies} not ore - that makes the companies attractive to investors such as U.T. ^{sell us} Undeniably, these companies are tobacco companies.

It has been considered that divesting of tobacco companies would open the fund up to divestiture of other companies. I would like to clearly and definitively state that I do not believe that to be the case. In considering the issue when their university divested, Harvard President Derek Bok indicated that tobacco companies are different than other companies. This is the reality.

There is a difference, a distinction between two different types of divestment ideas. There may be calls for divestment for political or social reasons - such as South African Divestment that are controversial in nature. But there is a difference between political reasons for divestiture and tobacco divestiture. Tobacco is a product, and the divestiture of tobacco is a health related-issue that is not controversial. The key idea here is controversy. ~~On a political or social divestment issue there are two sides of the coin. Indeed by~~ ~~these~~ very nature they are controversial, debatable. They are never clear cut. Widespread disagreement always accompanies political divestment issues, such as South African divestment.

Political
divestiture
is always

~~Yet~~ tobacco, ~~which a product~~, is not a subject of controversy or debate. More than 57,000 medical studies indicate a link between smoking and disease. As the Chairman of our State Board of Health, Dr. Ron Anderson points out, "I recognize the need for trustees to have flexible investment policies, but there is virtually nothing good that can come from the product tobacco. It's in a category by itself and has no redeeming qualities for its use except by those who profit by its sales."

There is also a distinction between tobacco as a product and other products. There is also a distinction between tobacco as a product and other products. Tobacco is a product and other products.

~~There is also a clear distinction between tobacco as a product and other products.~~ The tobacco difference is that tobacco is the only product, which, when used exactly as intended, kills people. Additionally, there is no other single product that kills anywhere near as many people as cigarettes. Smoking accounts for more deaths each year than AIDS, crack, heroin, cocaine, alcohol, car accidents, fire and murder - combined! One of every four deaths occurring in the United States can be linked to smoking. Thus, it is the overwhelmingly destructive nature product itself, and the predatory marketing tactics that are inherent to the products success, that serves to catapult this one product into a position dubious enough to warrant divestiture.

Finally, because of its sizable focus on medicine and the prevention of disease, the University of Texas System is in a special position to respond to the most serious health problem in America, smoking. For instance, the U.T. M.D. Anderson Cancer Center in Houston treated 10,000 smoking related cancer patients last year. At that hospital, roughly 2000 doctors are employed and 60,000 volunteer hours were logged in just to

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research, treat, and attempt to prevent tobacco-caused cancer. This does not even take into account U.T. hospitals such as Parkland in Dallas, Herman, St. Joseph, Ben Taub and LBJ in Houston, and the medical complexes in San Antonio and Galveston. Thus, we are in a unique and special position to respond to the smoking issue.

Finally
The fundamental goal, mission, and purpose of the tobacco companies is to get ~~the largest number of smokers possible~~ ~~in one view the goal of the cigarette companies is to get~~ as many people as they possibly can straight on the road to cancer, emphysema, and heart disease. Indeed, straight on the road to our hospitals. ~~The~~ *YET the* fundamental goal, mission, and purpose of our medical centers and hospitals - which is to prevent disease and save lives - is in direct and utter conflict with the goals of the tobacco companies.

This is NOT A prudent practical relationship.
The conflict becomes glaringly clear when you think about M.D. Anderson Cancer Center. According to its 1989 Annual Report, the goal of the Cancer Center is the "elimination of cancer." But we cannot realistically embrace that goal if we are helping out those responsible for causing one of every three cancers in the U.S. . IT IS THE PREVENTION OF DISEASE THAT IS KEY TO SOLVING IT. The Annual Report continues, "Only by arming others with knowledge can the institution truly fulfill its mission of eliminating cancer as a major health threat." We can only arm others with knowledge if we keep a consistent message on cancer.

Can we afford to divest?
The real question is not, "Can we afford to divest our tobacco stock?" For given the University of Texas Systems' commitment to education, the prevention and treatment of disease, and to moral and ethical values of the highest order, how can we possibly afford not to do so?

Texas Board of Health



BE IT REMEMBERED, that the TEXAS BOARD OF HEALTH, meeting in regular session upon the date as hereinafter indicated, by ACCLAMATION makes the following

RESOLUTION

WHEREAS, Smoking kills 23,254 people annually in Texas; and causes untold thousands to suffer from cancer, heart disease and emphysema; and

WHEREAS, the public health service has identified cigarette smoking as the most important preventable cause of death in our society; and

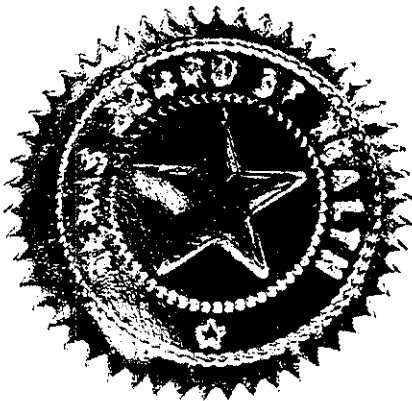
WHEREAS, our actions should be consistent with our messages on prevention and non-use of gateway drugs; and

WHEREAS, profit should not be made at the expense of people's health; and

WHEREAS, investing in companies that manufacture and sell cigarettes is inconsistent with our mission to educate, enlighten, treat and prevent disease and illness; now, therefore, be it

RESOLVED that the Texas Board of Health officially endorses the divestiture of tobacco stocks, bonds and other performing interests by state universities, state retirement fund trust monies and other state supported institutions.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Texas Board of Health, in behalf of said Board, on this the 27th day of April, 1991.



Ron J. Anderson MD

Ron J. Anderson, M.D.
Chairman
Texas Board of Health