



Smoking Ban Devastate Businesses Study Shows

By Dennis Constant

Despite the claim of anti-smoking groups that scientific studies unanimously have shown that second-hand smoke is killing thousands from lung cancer, the truth is that the vast majority of such studies failed to find any statistically significant link.

Anti-smoking groups with a collectivist political agenda, working with "cancer industry" organizations that rely on fear to enhance their considerable cash flow, have filled the media with claims about second-hand tobacco smoke that are questionable at best, and fraudulent at worst.

Anti-smokers also claim that smoking bans do not hurt business. A paper in 1994 by Glantz and Smith purports to show that enacting smoking bans to eliminate second-hand smoke in restaurants does not have economic consequences. This study was cited by anti-smokers in Evanston, which rejected such a ban. In 1997, Northwestern University professor Michael Evans found the Glantz study conclusions unwarranted and based on faulty assumptions in methodology.

The major accounting and consulting firm, KPMG LLP, conducted a 2002 study to assess if California's statewide smoking ban impacted the restaurant and tavern industry. The study of 300 businesses showed that 59% experienced a decrease in business, while only 6.7% had an increase. The average decline in sales was 26.2%, and 59% of the businesses reported a loss in tips for bar and serving staff. Businesses that serve alcohol were devastated by the smoking ban.

Sue Jeffers, of Stub & Herb's Bar in Minneapolis, provides a first-hand account of the effect of smoking bans on businesses. Predictions of business losses by bar owners were ignored by the city council. "No one, not even some of the bar owners, ever expected the ban to be as devastating as it has been," she reports.

On March 31, 2004, the city and Hennepin County passed the toughest smoking bans in the state, expecting other counties to follow suit. They didn't. Hennepin County remains the only county in the state barring smoking everywhere including bars.

The Bloomington City Council refused to amend it's ban in August 2005. The following week every bar on the fourth floor (the entertainment area) of the Mall of America closed except Hooter's. Hooter's reports business is down over 25 percent.

In November 2004, voters overturned smoking bans in Duluth and Moorhead. Voters in Bloomington, in their September 2005 primary, defeated an anti-smoking council member, while other anti-smoking council members decided not to run. The defeat of the anti-smoking advocates played a key role in the state's refusing to pass a statewide smoking ban.

"To date we have 35 closed businesses with another 50-60 barely hanging on," says Jeffers. "The Minneapolis Hospitality Association can document lost revenues of over a million dollars a month compared with the year before. We can document over 2,000 lost jobs. The heartbreaking stories of lost jobs, revenues and businesses can be read at smokersclubinc.com. Click on Diary of a Disaster to read our story."

The Chicago City Council should consider the damage that such an ill-advised smoking ban would have on Chicago businesses. A December 2000 report by the Dallas Restaurant Association showed that 18 months after a smoking ban was enacted, there was a decline of almost \$12 million in alcoholic beverage sales. Another December 2000 report, by Canada's Thunder Bay Chamber of Commerce, indicated that 6 months after a smoking ban was enacted, 93% of its bars and lounges reported less business, with the average loss being 43%.

Smoking bans are based on fraudulent interpretations of research studies, and they devastate the restaurant and bar businesses in locations where they are enacted. They are like a hidden tax, as those businesses that survive will pass on to their customers price increases that make up for the loss of business.

Evanston, Arlington Heights and Wheeling rejected smoking bans. These cities have significant restaurant businesses that play an important part in their economies, and the city council members decided the risk of loss of business was not worth whatever dubious health benefits smoking bans would bring.

A smoking ban would damage the Chicago economy. Chicago City Council members would be wise to examine what happened to businesses in Minnesota, and to the politicians who voted for their smoking bans.

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