

- 12 To reduce the damage done by cigarette smoking, the government of a country increases the indirect tax on cigarettes and makes it illegal to smoke in public.

Which combination of circumstances is most likely to result in government failure in its attempt to reduce the damage done by cigarette smoking?

	price elasticity of demand for cigarettes	government spending on law enforcement
A	> 1	high
B	> 1	low
C	< 1	high
D	< 1	low