

A Message To The President

The Honorable William Jefferson Clinton

- **A farmer friendly USDA under Secretary Glickman has successfully helped tobacco farmers and tobacco dependent communities survive adverse conditions.**
- **The proposed federal lawsuit against US cigarette manufacturers will hurt tobacco farmers and tobacco dependent communities by;**
 - **depressing demand on 1999 auction markets and increasing coop loan stocks**
 - **causing 2000 cigarette manufacturer purchase intentions to decrease further from the disastrous purchase intentions of 1999**
 - **further reducing tobacco quota and encouraging higher No Net Cost Assessments**
 - **threatening the destruction of rural communities of 428,800 tobacco farmers and quota owners.**

Bruce L. Flye
President
Flue-Cured Tobacco Cooperative
Stabilization Corporation

Rod Kuegel
President
Burley Tobacco Growers
Cooperative Association

George M. Marks
President
Burley Stabilization
Corporation

February 16, 1999

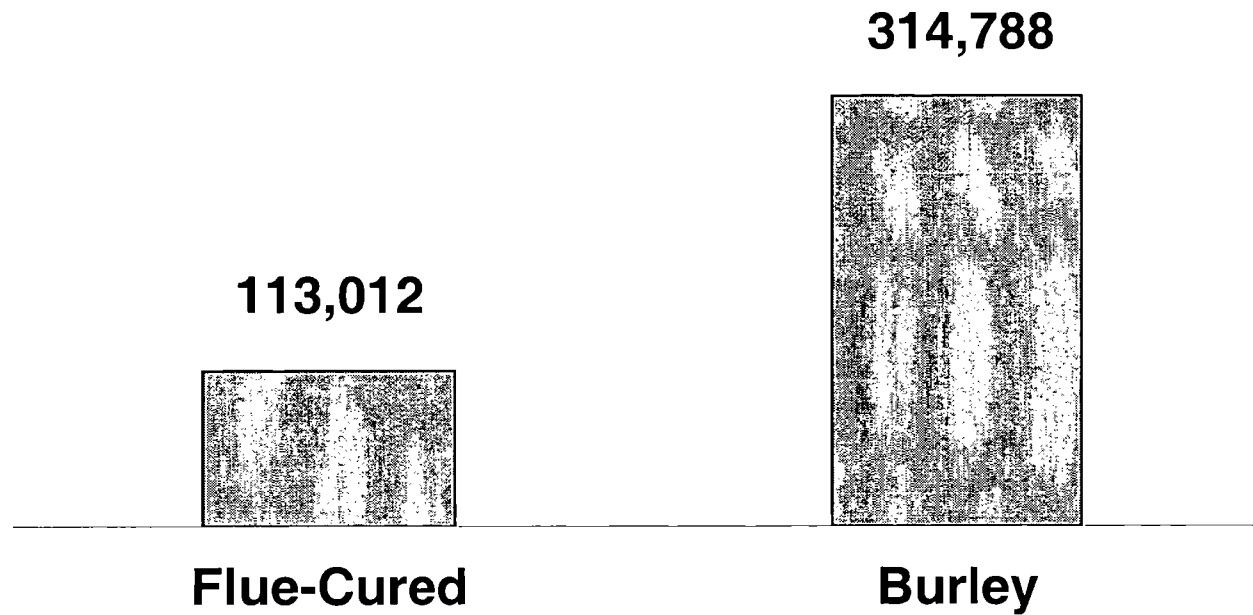
Threats To US Tobacco Farmers

- proposed federal lawsuit against cigarette manufacturers seeking \$170 B
- a federal lawsuit will probably force US cigarette manufacturers off-shore
- 15¢ additional cigarette excise tax starting in 2000
- 55¢ additional cigarette excise tax proposed
- 71¢ increase in wholesale price of cigarettes since last year to pay for state settlements
- huge potential for creating a black-market in cigarettes which will further injure tobacco farmers and be targeted at America's youth
- any federal assistance will reduce the Tobacco Farmer Trust Funds established by the cigarette manufacturers – dollar for dollar

How can the President Protect Young People, Tobacco Farmers and Their Communities?

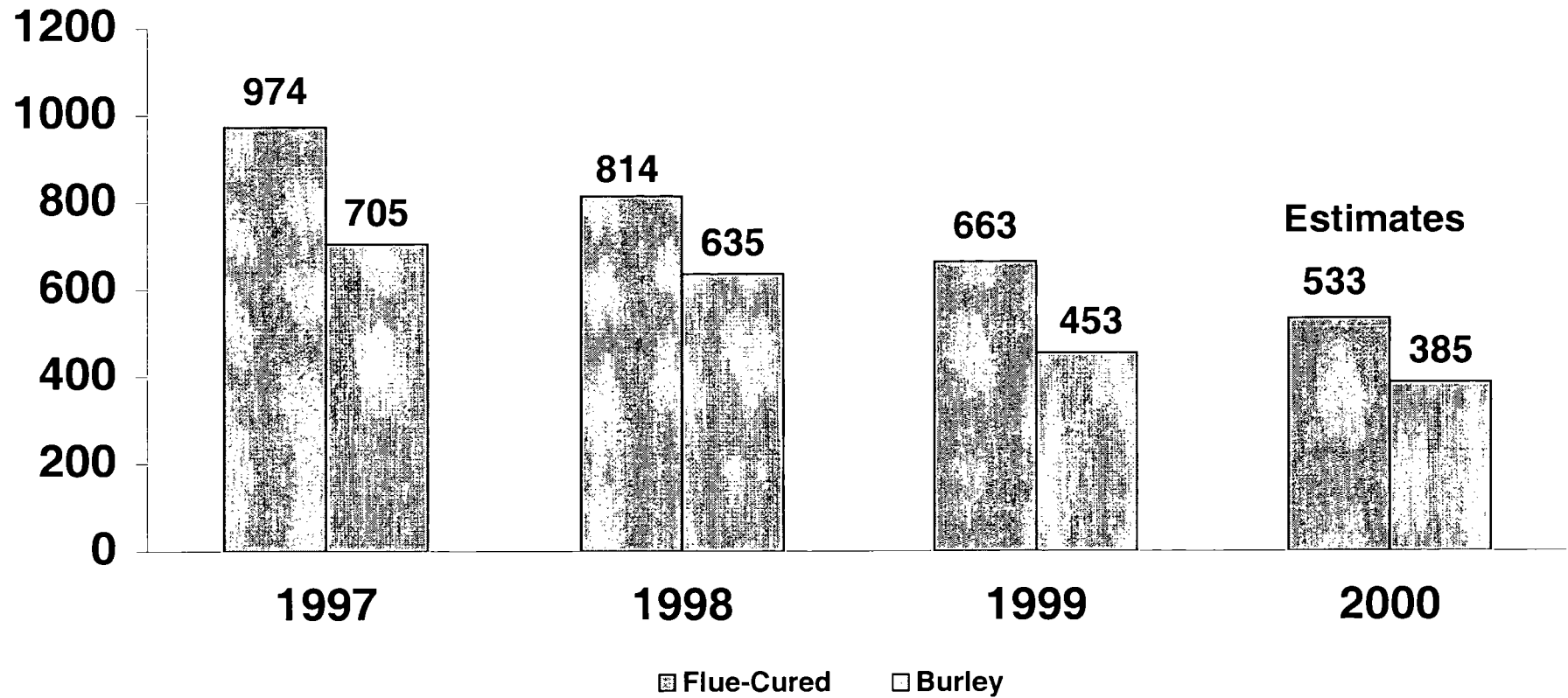
- Stop the threat of a federal lawsuit against cigarette manufacturers.
- Prevent black marketing to America's youth and increased criminal activity.
- Balance punitive measures against cigarette manufacturers with protection for tobacco farmers and their communities.

427,800 Tobacco
Quota Owners and Growers



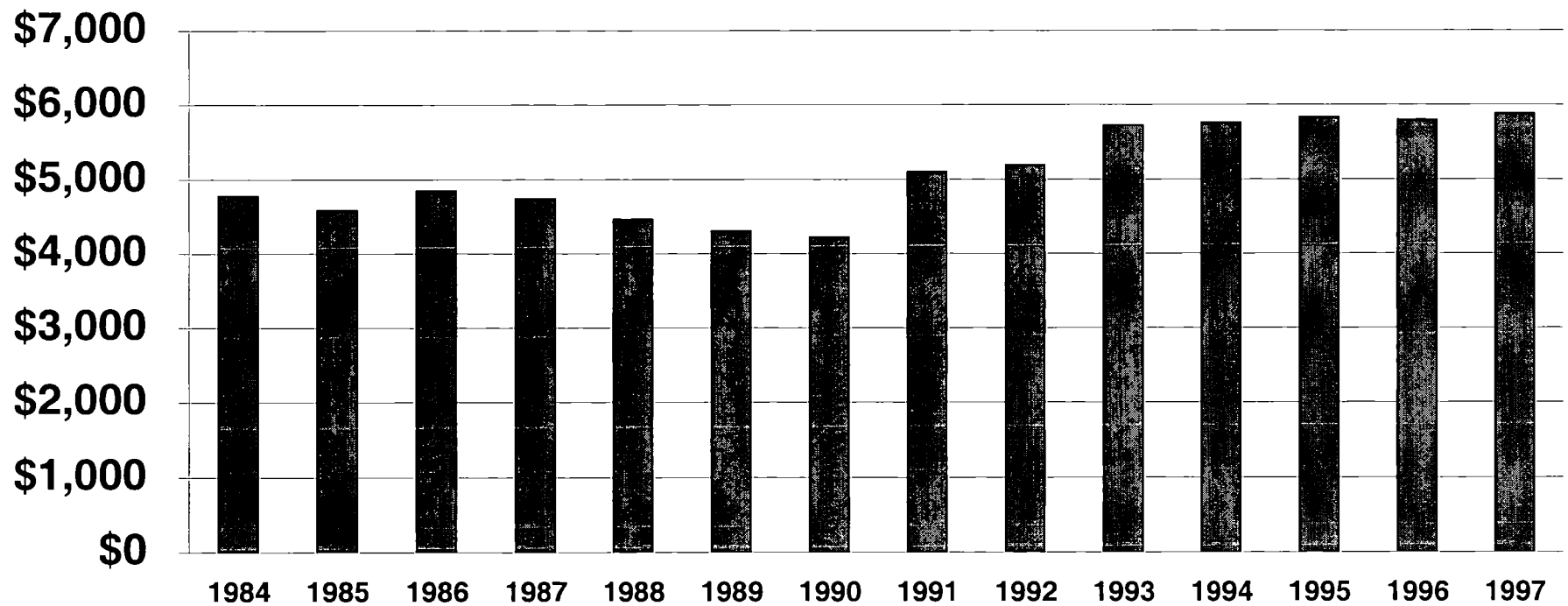
Source: USDA-FSA-TPD

1997-1999 Flue-Cured and Burley Tobacco Basic Quotas and 2000 Estimates

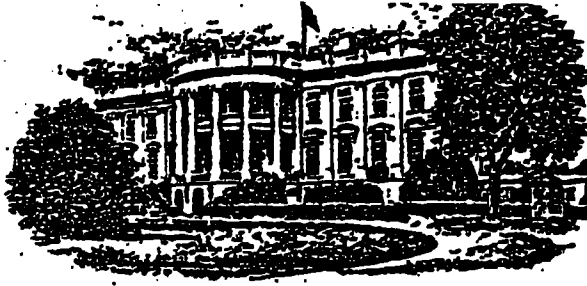


Sources: Tobacco Situation and Outlook Report, U.S. Department of Agriculture's Economic Research Service

**\$71.1 Billion In Federal Revenues
From Tobacco Products 1984-1997**
(billions)



Sources: Tobacco Situation and Outlook Report, U.S. Department of Agriculture's Economic Research Service, various issues.



12/21/99
James

THE WHITE HOUSE
WASHINGTON

FACSIMILE / MEMO FROM: John Corcoran
OFFICE OF PRESIDENTIAL LETTERS AND MESSAGES
OLD EXECUTIVE OFFICE BUILDING, ROOM 93

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NUMBER OF PAGES (INCLUDING COVER): 4

DATE: 10/4/99

TO: Tom Freedman

VOICE: _____

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☐ FOR YOUR ACTION

☒ INCOMING LETTER(S) FROM: N. Carolina + Kentucky
RE: Tobacco Farmers

☐ FOR YOUR REVIEW / APPROVAL

☒ PER MY E-MAIL OR VOICE-MAIL MESSAGE TO YOU

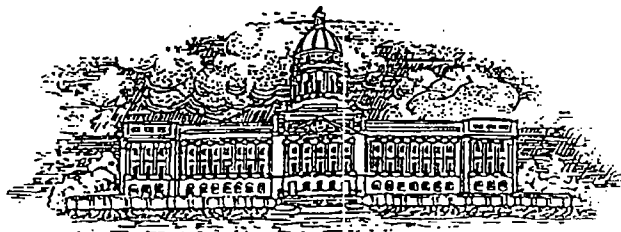
☐ PER YOUR REQUEST

ADDITIONAL COMMENTS:

Thanks
JHC

Commonwealth of Kentucky

HOUSE



Thomas M. McKee
State Representative

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February 25, 1999

The Honorable William J. Clinton
President of the United States
1600 Pennsylvania Avenue, N.W.
Washington DC 20500

Dear Mr. President:

Generation to generation, the area in North Central Kentucky which I represent has been and remains very dependent upon tobacco and the business needed to support that crop's production.

I serve on the House Agriculture and Natural Resources Committee and the Tobacco Task Force in the Kentucky General Assembly. We have examined and tried various other crops, but none have proven as successful as tobacco production. The terrain in my area is rolling and is best utilized with hay, grass, and cattle, with the flatlands and ridges supporting the tobacco crops. We do grow limited acres of grain, but we simply cannot switch to grain production on a large scale because of environmental and erosion problems. Without burley tobacco, the economy in the 78th District would suffer devastation.

I discussed these issues with you following your presentation in Carrollton, Kentucky, in the spring of 1998. At that time, you indicated you were not against tobacco farmers, tobacco production, or tobacco companies. You simply wanted to address the issue of under-age tobacco use. I agree with you. The many farmers that I represent share this concern and we all want to work together as a team to achieve this same goal. Education, not raising the price of the product, is the key to success. At the time of our conversation, Senator Wendell Ford's Leaf Act was still a viable option. Unfortunately, his bill was never allowed to solve our problems. The settlement reached November 3, 1998, between the four major tobacco companies and the Attorneys General of the 46 unsigned states has breathed new life into the industry.

78th District: Harrison, Pendleton, Robertson, and Southern Campbell Counties

The Honorable William J. Clinton
February 25, 1999
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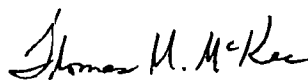
Specifically, Mr. President, I ask that you reconsider the 55 cent per pack proposed cigarette tax and your decision to ask the U.S. Attorney General's Office to sue tobacco companies. Both of these proposals will have a detrimental effect on the tobacco economy and will result in many farmers losing their land, their homes, and the very livelihood that has supported, educated, fed, and clothed their children for generations. I would also ask that the state be allowed to maintain the full amount of the settlement funds in the tobacco agreement between the states and the tobacco companies. I would further point out that the tobacco program has served as a model for the entire agricultural economy. As you know, this program has operated for many years with virtually no federal dollars and has resulted in getting the tobacco economy to its current level. The price-support system for tobacco needs to be maintained.

Tobacco production and the use of tobacco products are as old as history itself. This product will be produced somewhere in the world. I maintain that the best quality tobaccos are produced in our country, and I simply ask that our farmers be allowed to continue production and keep the dollars at home.

I share your concern for the health problems associated with tobacco use; however, I realize that many other factors contribute to health problems in our country. Abuse or overuse of many products is detrimental to our health.

Best wishes for the remainder of your term. I look forward to working with you on this issue and many others that will help make our country a better place to live.

Sincerely,



Thomas M. McKee
State Representative

TMM:sl



295203

State of North Carolina

Department of Agriculture

Raleigh

JAMES A. GRAHAM
COMMISSIONERConcerns
re farmers

February 17, 1999

Honorable William J. "Bill" Clinton
President of the United States
1600 Pennsylvania Ave.
Washington, D.C. 20500

Dear President Clinton:

It is with great concern that I write you in reference to your new initiatives against the tobacco industry. During your "State of the Union" address you made reference to initiate a major lawsuit against the tobacco companies and pursue legislation to increase federal excise taxes on cigarettes. To say the least I was shocked that you decided to take such a stance against the companies.

We all agree on the importance of protecting our youth, but your latest initiative will definitely be at the expense of our farmers. The recent Master Settlement Agreement (MSA) between the states and the companies will have an adverse affect on our producers who grow tobacco and the communities in which they live. Our farmers were very lucky to receive some form of compensation from the companies to help with the impact of the MSA. Unfortunately, all these agreements are based on consumption. If consumption goes down, so does our compensation which we need desperately. A proposed federal lawsuit and an additional increase in federal excises would all but wipe out most of this money. It would also ruin a majority of the companies we sell our tobacco to.

I have always heard you say that the farmer is important and would be taken care of. If the tobacco industry continues to be attacked by lawsuits and taxes then our farmers will be killed in the process. I beg of you as our nation's leader to halt any further attacks on tobacco from the federal government. We are treading water in a big ocean and the life-raft is floating farther and farther away.

With all good wishes.

Sincerely,

A handwritten signature of James A. Graham in cursive script.

James A. Graham
Commissionercc: Weldon Denny
William Upchurch

Why! Oh Why - would you turn on
our people - Jim

FEB 22 1999