

*Tobacco -
business
- POTUS*

THE WHITE HOUSE

WASHINGTON

London

May 18, 1998

Dear Wendell,

Last September, when I announced my plan for comprehensive tobacco legislation, I made protecting tobacco farmers and their communities one of the five key elements that must be at the heart of any national tobacco legislation. Tobacco legislation must reduce youth smoking, it should not devastate our tobacco farmers and their communities.

The tobacco program has made it possible for farmers, their families, and the areas in which they live to enjoy a measure of economic stability. If the program is summarily abolished, many farmers, particularly small and minority farmers, could be left in jeopardy or put out of business. Your proposal, which is included in Senator McCain's comprehensive tobacco legislation, includes vital protections for farmers and their communities including continuing a tobacco control program. It satisfies the principle I laid out in September 1997, demanding that any legislation meet the test of protecting tobacco farmers and their communities.

It is possible to protect tobacco farmers and their communities, at the same time that we dramatically reduce youth smoking. Indeed, maintenance of the tobacco program makes it possible to control the amount of tobacco grown in the United States. I am confident that with the inclusion of your provision in comprehensive tobacco legislation, we will meet the goals of advancing public health interests and protecting farmers and their communities.

Thank you for your important work in this area.

Sincerely,

Bar

The Honorable Wendell H. Ford
Democratic Whip
United States Senate
Washington, D.C. 20510

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Bain

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Democratic Whip
United States Senate
Washington, D.C. 20510

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TALKING POINTS ON TOBACCO BILL FARMER'S PROVISIONS: FORD V. LUGAR

I. President made protecting tobacco farmers and their communities one of the five key elements of plan for national tobacco legislation.

II. The Ford bill meets the President's criteria:

- * Provides ^{\$}28.5 billion for tobacco farmers and their communities over 25 years.
- * Maintains a tobacco program crucial for stabilizing prices for farmers.
- * Gives farmers the chance to have their quotas bought out should they choose.
- * Provides \$375 million a year in community development block grants thru 2008, \$450 million thru 2023; \$25 million in worker transition money for ten years; and up to \$72.5 million a year by 2023 in higher education grants.
- * Provides immunity for producers and growers associations

III. Lugar bill fails to satisfy criteria:

- * Ending quota will destabilize price, make it difficult for small farmers to survive. *— esp. minority + limited-resource farmer*
- * Fund to buy-out quotas is capped at \$15 billion.
- * Total economic development fund is \$300 million, not sufficient to compensate farm communities (Lugar may increase this). *~~~~~*
- * No immunity provision.
- * Creating a free market will result in windfall to companies as price of tobacco drops -- *over 25 yrs* this transfers approximately \$20 billion from farmers to companies according to USDA.

Imports will increase initially