

CHARLES S. ROBB
VIRGINIA

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United States Senate

WASHINGTON, DC 20510-4603

COMMITTEES:
ARMED SERVICES
FINANCE
INTELLIGENCE
JOINT ECONOMIC COMMITTEE
Democratic Policy Committee

February 4, 1999

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

I am concerned about the proposal to bring a federal lawsuit against the nation's tobacco manufacturers. When you first announced this approach during the State of the Union, I thought such a suit might provide a way to bring all of the parties to the negotiating table to resolve the uncertainties which still surround tobacco production in the United States. As you know, many Virginians rely on tobacco for their livelihood, from manufacturing workers to growers to dock workers. Beginning with the comprehensive settlement announced on June 20, 1997 and continuing until today, these workers, growers and their families have suffered enormous upheaval and uncertainty.

I'd like to find a way to help alleviate this upheaval and give these families some certainty, and I've concluded it is likely that the lawsuit would create further instability. For this reason, I'd like to urge you not to initiate such a federal legal action.

The states successfully sued the tobacco companies under various theories of recovery, including Medicaid reimbursement, consumer fraud and antitrust violations. The federal government, apart from asserting some claim under the state's Medicaid recovery, does not appear to have a similar obvious basis for a suit. In the past, the position of the Justice Department has been that the federal government does not have the authority to sue manufacturers of a legal product such as tobacco. This position, I understand, was based on a lengthy internal memorandum produced several years ago. I understand further from an article in the *New York Times* on January 21, 1999, that another memorandum was prepared by outside counsel that reaches the opposite conclusion and asserts that the federal government does have a right to sue. Having a copy of these two documents would assist me in understanding exactly what caused the Justice Department to reverse its original position.

In the hope of avoiding this federal litigation, I would like to request copies of these two documents as soon as possible.

Sincerely,



Charles S. Robb

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Congress of the United States
Washington, DC 20515

January 26, 1999

The Honorable William J. Clinton
The President
The White House
Washington, D.C., 20500

Dear Mr. President:

For the second consecutive year, your words of concern about tobacco farmers during your State of the Union Address represented a significant gesture all across tobacco country. It must be recognized, however, that for the second consecutive year, you have embraced an initiative that, if carried out, would result in devastation for tobacco farmers, their families, and their communities throughout the tobacco-producing states of this nation. Just as enactment of the proposed tobacco legislation in the United States Senate during the 105th Congress would have ended tobacco production as a means to make a living for thousands of farmers across the Southeast (by eliminating much of the market for their crop), so too would the most devastating impact of your proposed federal litigation against the tobacco industry be felt on the farm.

Let there be no doubt, Mr. President, your proposal would be a death blow to farmers, agribusinessmen, and communities throughout the Southeast. It is a well-documented fact that tobacco farmers do not have at their disposal the acreage necessary to cultivate other crops in the quantities needed to achieve a profit comparable to that which is generated by tobacco — a profit that is already being squeezed to razor-thin levels as a result of policies, initiatives, and decisions over which farmers have no control. Continuing to jeopardize the availability of the market for their crop through attacks by the federal government on the tobacco companies will not only end tobacco production, but it will also end farming as a way of life for thousands of honest, hard-working farmers throughout the southeastern United States. The ultimate impact on their communities and towns is unimaginable.

Therefore, Mr. President, although we seriously question the legal authority for your proposed federal lawsuit against the tobacco industry and have tremendous concerns about the precedent it may set for all private industry, we vigorously oppose your latest initiative primarily because of the devastating impact it will have on the very people you have stressed the need to protect — tobacco farmers. By all accounts, and despite your stated desire to achieve both, those two objectives — assaulting the tobacco industry and protecting tobacco farmers — appear to be mutually exclusive policies.

Letter to the President

January 26, 1999

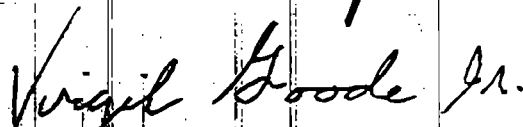
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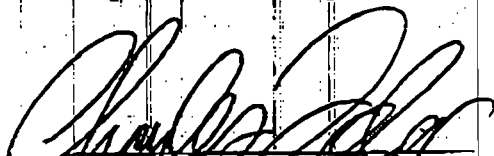
We remind you that by continuing to pursue initiatives that cripple the ability of the domestic tobacco industry from operating effectively in this country, you are effectively relegating the farm families that depend on that industry to the sidelines of the coming century and away from the economic prosperity and strength that you envision for all Americans. And if, as we believe, Franklin Roosevelt was correct in saying that American farmers, "are the source from which the reservoirs of our nation's strength is constantly renewed," then turning away from those farmers, their families, and their communities is poor policy for the nation as a whole.

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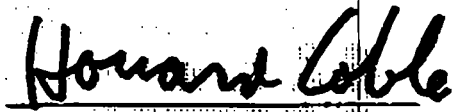

Representative Mike McIntyre


Representative Bob Etheridge


Representative Virgil Goode


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cc: The Honorable Dan Glickman
The Honorable Janet Reno

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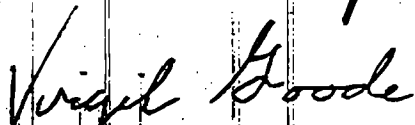
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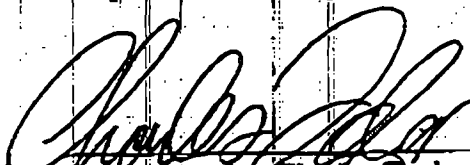
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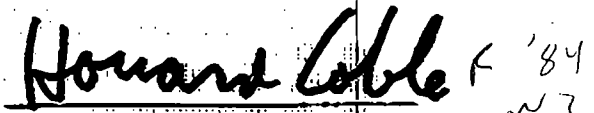

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The Honorable Janet Reno

Per our discussion:

The President recognizes that tobacco farmers and their communities must be protected from the effects of any and all tobacco litigation. As was done in the settlement with the state attorneys general, we believe that in connection with any judgment or settlement of Federal claims there should be established a fund to protect them from the unintended consequences of that lawsuit. The Administration commits that, as the Federal litigation proceeds to judgment or settlement, that the Administration will make sure that adequate funds are set aside by legislation to ensure the financial security of tobacco farmers and their communities. We would of course develop this legislation in close consultation with you and other members of Congress, and with representatives of tobacco farmers, their families, and communities.

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**JOSHUA
GOTBAUM**

02/04/99 07:27:36 PM



Record Type: Non-Record

To: Thomas L. Freedman/OPD/EOP

cc: Richard J. Turman/OMB/EOP, Victoria A. Wachino/OMB/EOP

Subject: Possible language to reassure tobacco farmers concerned about the Federal lawsuit

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