

United States Senate

WASHINGTON, DC 20510

Tobacco-
letters

February 10, 1998

The Honorable Albert Gore, Jr.
Old Executive Office Building
Washington, D.C. 20501

Dear Mr. Vice President:

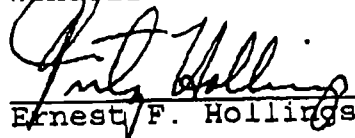
During his weekly radio address on January 17th, President Clinton suggested that "we need comprehensive, bipartisan legislation" to deal with the youth smoking issue. He went on to say that "I want to let Members of Congress know that our Administration will sit down with them anytime, anywhere to work out bipartisan legislation."

We strongly agree with the President on the need for a bipartisan solution. We simply do not believe partisan proposals have any realistic chance of becoming law. We have been informed that you will appear with Members of Congress to discuss the youth tobacco issue on Wednesday. It is our sincere hope that you will use that opportunity to detail the steps the Administration is willing to take, and to enter into direct negotiations with Republican leaders by a date certain to achieve a bipartisan solution. A successful negotiation will yield plenty of credit to go around on the issue of youth smoking. However, if we fail to initiate this process immediately, there will be plenty of blame to go around on all sides. The complexity of this issue means that time is of the essence. We hope you will agree that the Administration must take concrete steps to initiate negotiations as soon as possible.

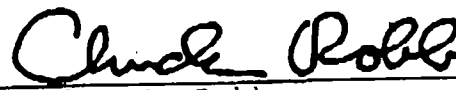
Sincerely,



Wendell H. Ford



Ernest F. Hollings



Charles S. Robb



Max Cleland

to bull
4 min
letter
SW

**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET**

**OFFICE OF ECONOMIC POLICY
OLD EXECUTIVE OFFICE BUILDING, ROOM 244
FAX NUMBER: (202) 395-1198**

FAX SHEET

DATE: 11/7

PLEASE DELIVER THE FOLLOWING PAGES TO:

NAME: Tom Friedman
X 67431

NUMBER OF PAGES (Including cover page): _____

FROM:

**JOSEPH J. MINARIK
RANDOLPH M. LYON
OPHELIA D. WEST**

**395-5873
395-5800
395-5873**

✓

COMMENTS: _____

11/07/97 FRI 10:33 FAX 202 456 5581

DOMESTIC POLICY COL

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To: Joe Minarik

From: Tom

Here's a copy of
The language we discussed.

I'll call if there are any
changes.

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How about, "I know that you and your colleagues are seeking a mechanism to achieve that end." ?

November 5, 1997

Dear Congressman Etheridge:

Thank you for sharing with me your concern for the economic well-being of this nation's tobacco farmers and the communities in which they live.

As I have stated publicly, I am committed to the financial well-being of America's tobacco farmers, their families, and their communities. I will not support or sign any legislation that does not provide American tobacco farmers with a safe, sound, and secure future.

In response to the points you have raised with me, I agree with you that American tobacco farmers must have a stable and realistic price for the product they produce. I trust in the abilities of you and your colleagues to determine that price. *Whoa! Sounds like socialism to me.*

I also agree with the principle espoused by several of your colleagues on both sides of the aisle which assures American tobacco farmers a fair level of production which is based upon world market share of American cigarette companies, and a sound share of their own domestic market. I understand that this principle will involve adopting a new thought process as it affects grower production, but I believe this idea is soundly based in principles of equity, thus deserving my support. Further, I appreciate the points you have raised regarding our ability to enforce this provision, and I can assure you that I will work with you to achieve your stated objectives.

I am committed to supporting an independent source of funding for all costs associated with the operation of a successful tobacco farm program. As I understand the concept you have shared with me, you believe that tobacco farmers should be entitled to a dedicated portion of the current tobacco excise tax for the purpose of ensuring financial stability in tobacco communities, compensating tobacco farmers for any negative economic effect from the tobacco settlement, maintaining the economic viability of farmers' investments in tobacco, and for the purpose of covering all administrative and other costs associated with the Tobacco Program.

I understand that the House of Representatives has a record of previously supporting this concept in a bipartisan manner. This kind of prior bipartisan support leads me to believe that the solution which you discussed will be one which I can ultimately wholeheartedly support.

Further, I agree with you and other tobacco Members that tobacco farmers and other facets of the tobacco community should share in any immunity from liability which cigarette manufacturers receive in any settlement legislation.

Additionally, I will work with you and other Members of Congress to reform the system of "duty drawback" so that this system does not provide an economic incentive to purchase foreign tobacco, in preference to American grown leaf. Duty drawback should never be used to undermine the price or sales of American grown tobacco.

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As I said when I announced my plan for tobacco legislation, we have an important moral responsibility to American tobacco farmers. These farmers are not the source of the problem, but rather, an important part of America's farming community. As you and I have discussed in the past, American tobacco farmers grow commodities other than tobacco. To ignore this fact, is to ignore the security of this nation's food supply.

I thank you for this opportunity to share with you my commitment to comprehensive tobacco legislation. The points you discussed with me are worthy of my support, particularly because of the bipartisan nature in which they were originally developed. Your proposal demonstrates the commitment we share to maintaining American tobacco farmers' livelihood and income, and I look forward to working with you and all tobacco Members to achieve these goals.