

██████████
May's Lick, Kentucky 41055

March 31, 1994

Brian Lamb
Cable Satellite Public Affairs Network
Suite 650
400 North Capital St., N.W.
Washington, D.C. 20001

Dear Mr. Lamb:

I watch the 8 a.m. program on C-Span almost every day and find it to be most interesting and informative. On Monday, March 28th, however, on your program with U.S. News & World Report editors, the question was raised about "when would the government stop subsidizing tobacco?"

Tobacco, for all the coordinated attacks on it, is not subsidized by the government. This is how it works. Tobacco is sold at auction in warehouses to tobacco companies. The Burley Tobacco Cooperative purchases any tobacco that is not purchased by the companies during these sales.

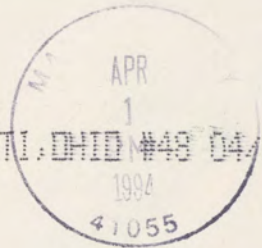
The Burley Tobacco Coop borrows the money from the Commodity Credit Corporation, a government agency, to purchase the tobacco. This loan is secured by the tobacco in the Coop's inventory. When this tobacco is sold to the companies, at later dates, this money is used to pay back the loans and any interest due to the Commodity Credit Corporation.

Tobacco farmers even pay grading fees to pay the government graders, who grade each basket of tobacco. Farmers also pay the "no net cost" fee, which pays for the administration of the Coop and also for any expenses for the Coop in the marketing of the tobacco.

Tobacco is not subsidized by the government. Quite the contrary, tobacco through being a heavily taxed commodity, subsidizes the government.

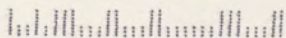
Sincerely,

Phone #



CINCINNATI, OHIO 45204

Brian Lamb
Cable Satellite Public Affairs Network
Suite 650
400 North Capital St. N.W.
Washington, D.C. 20001



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