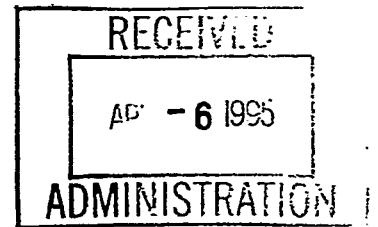


Lorillard

ARTHUR J. STEVENS
SENIOR VICE PRESIDENT GENERAL COUNSEL
(212) 545-3400



April 4, 1995

SDC
4/12

The Honorable Richard A. Gephardt
House Democratic Leader
United States House of Representatives
507 Capital Court, N.E.
Suite 100
Washington, DC 20002

Dear Mr. Leader:

Andrew H. Tisch, Chairman and CEO of Lorillard Tobacco Company, has asked me to respond to the candid and informative letter you sent to him earlier this year, and for your invitation to share advice and suggestions as the year progresses.

We are impressed with the vigor which you are handling the difficult task of managing the House Minority. There is, however, one observation I would like to offer at this time. As you pursue the commendable goal of reducing taxes on middle income families, please do not allow those benefits to be undone by the imposition of excise taxes. Excise taxes are the most regressive taxes of all, and any increase in them will fall directly on those you are most trying to help.

Again, thank you for the letter and the opportunity to continue a dialogue, and good luck with your leadership responsibilities.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Arthur J. Stevens".

Arthur J. Stevens

AJS:fp

cc: A.H. Tisch

bc: S. Chilcote
C. Whitley, Esq.
R. White