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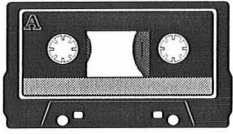
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AN ORAL INTERVIEW WITH: LAKE POLAN, III

CONDUCTED BY: WALLACE STOWERS

DATE OF INTERVIEW: APRIL 8, 1984

SUBJECT: HUNTINGTON PRIDE IN TOBACCO MARKET

TYPED AND TRANSCRIBED BY: GINA KEHALI KATES

WS: This is an oral history interview with Lake Polan the III of Pride in Tobacco Market, Huntington, West Virginia, on April 18th, 1984, Wallace Stowers of Marshall University. Two tapes were made.

LP: Okay, my name is Lake Polan, the third. And I am president of the Huntington Pride in Tobacco Market in Huntington, West Virginia. We are a, we're the place where tobacco is sold at auction. Farmers bring their tobacco in to the market in Huntington or wherever, and we provide auctioneers and people that lead the sale and conduct the sale and then we pay the farmer. Companies have representatives on the market either their own employees or the companies who actually manufacture products from tobacco will contract with other companies, independents who in turn will provide the buyers. So on our market last year, we had seven different companies represented. We had either directly or through an independent, we had Phillip Morris was bought on this market by Southwestern Tobacco Company, R.J. Reynolds had their own buyer, Brown and Williamson, which is an export tobacco company, had their own buyer, Lorillard is represented on this market by James I. Miller Tobacco Company. Let's see, Liggett and Meyers is, was represented by [inaudible]...Greenville Tobacco Company. And we had Parker Tobacco Company buying for some export orders. So that's who was here. This is a business that has been around in Huntington, I understand, since before 1912. The first tobacco markets in this area were in Huntington in Hurricane, Milton, and also in Gallipolis [Ohio]. Tobacco is the oldest industry in this country. The lore has it that John Roth insured the survival of the Jamestown Colony by planting tobacco, using it as an export crop. And that was what got the whole thing started. But it wasn't sold at public auction until somewhat later. And I'm looking here in a book called Mules and Memories, by Pamela Barefoot. Which has kind of a

history of the business, not mine particularly. It's distributed by John F. Blair, publisher, Winston-Salem, North Carolina. But the first tobacco was raised under contract. Well, there was a British tobacco monopoly, originally when these were colonies. And then the auction...I seem to remember late 19th century they were first started in, the farmers generally found that they could do best by, with their crop, by having it on an auction market, where there was competition to buy their tobacco, etc., etc. Back in the '40s, the federal government stepped in. There was a problem apparently, of wild fluctuations in supply. And demand was, you know, whatever it was. Which caused wild fluctuations in price. And they decided they would even things up by putting in a commodity program, such as they have for every problem around. But so, back in the '40s, first they went on an acreage system, you probably have heard of that (WS: Right), where if you'd been raising tobacco, you were allowed to grow so many acres or tenths of acres of the crop. And without this allotment of acreage, you, actually you can always grow it without an allotment, but there's a penalty, which currently is a dollar thirty-five a pound. So effectively, unless you've got an allotment, you can't grow tobacco. Then at some point they changed from the acreage system to the poundage system, because it was too hard to monitor, for one thing. You had to go out and survey each individual plot. And it didn't really control the supply that well either. So, of course, this is completely digressing from your....(WS: It's all connected)...series of questions here. But this is sort of how it came into being. Huntington was a major market center for tobacco. There was a point, and I'm not sure when it was, well, shortly after 1900, production had reached more than 14 million pounds, making West Virginia the twelfth largest tobacco producing state. And the market in Huntington has sold as much as 10 or 12 million pounds. In terms of the history of this market, I have read that it was opened in 1912

in a feed store and coal yard. And...but what I know about the market only dates back to the people that I bought it from, or my family did. And it was a fellow by the name of L. Jack Knight, K-n-i-g-h-t, who operated a market in Lexington, Kentucky. And for some reason, he came to Huntington and took over the market here. Mr. Knight, Senior, was a very dynamic individual, and the market flourished under him. He passed away some years ago and a son and daughter took over the operation. The son is Jack Knight, Junior, the daughter is Betty Styvers, that's her married name. And at that point, or perhaps it had started before then, the market went into a decline. The son, the father, Jack Knight, Senior, was a very apparently domineering and dynamic person. He never let his sons leave the office to go out on the floor. His son is a fine person, but he is very timid. And once the old man died, the market deteriorated, okay. Junior was unwilling or unable, really, to get out and solicit business. And by that time, the market had opened in Morehead, Kentucky, which is sixty miles to the west. They were much more aggressive about it. So the gist of it is that by the time we took over the operation, which was four years ago, whenever that was, the volume had decreased to 1.9 million pounds. In the first year that I took over and how I got in the tobacco business is that a7 or 8 years ago, my family bought a property in Huntington from Liggett & Meyers Tobacco Company, as it happened, in a multi-story brick and concrete facility, which we thought was a good buy. We spent a year or so trying to figure out what to do with it to get it occupied, and finally came to the conclusion that we should open a public warehouse, which is what we did. We did that because we were not being successful at just leasing space. So, the operation was pretty successful. And after a few years, we had added on to the facility, and the tobacco market's right next door. So we found out that it was on the market and decided that it would be a good investment, primarily for the real

estate. And we were strictly thinking in terms of the warehousing operation. So the market came with the property. And so we proceeded to develop a portion of the real estate in another use, which is a grocery distribution center. And we took a 60,000 foot building and continued it in the tobacco marketing business. The first year of our operation, and simply because farmers knew there was new management, although we really weren't doing anything differently, the volume grew to 2.3 million pounds the following year, when I got out and really started beating the bushes. We brought it up to 3.3 million pounds. The year after that, which was a bumper crop of tobacco last, the year before last, we took the volume up to 6 million pounds, and this past season on a crop that was a very, very short crop, we sold 4 1/2 million pounds. So we feel that even though, in absolute terms, the volume declined last year, we're still on a growth pattern. Because our penetration of the market has continued to increase. And we're getting a larger portion of what's raised in the area. That sort of brings us up to present. Why don't you throw your next question at me? [audio quality is getting bad...starting to slow down]

WS: As far as, are there are other operating markets within the immediate vicinity or....?

LP: This is the only market in the state of West Virginia. There was a time when some people came in to develop a second market in Huntington. It was up at Guyandotte. It's a building that was later taken over by Kerr Glass and which happened it burned a couple of years ago. But they, for whatever reason, were unsuccessful. And one was a former congressman and Jack Knight can give you that history a lot better than I can. But it was never successful. Their, the closest market to here is in Morehead, Kentucky, which is some 60 miles to the west. Tobacco, which is raised in this area, is of course, most of it's sold in Huntington. It also travels to Morehead, it goes to Ripley, Ohio, it, some of it goes to Maysville and some of it even goes to

Lexington. So we're on the periphery of burley tobacco. Well, actually there's markets Abingdon, Virginia, because there's a little bit of tobacco raised in Monroe County and over in the eastern part of the state. A little bit of that comes to us, but most of that goes either to Abingdon, Virginia or Boone, North Carolina, both of which were burley markets.

WS: Burley markets never handles the [inaudible]...one type?

LP: That is correct. The way it works, the buyer's start their season in Georgia or Florida, selling flue cured tobacco, and once they've sold that crop, they go up to North Carolina and sell for...they're different belts of flue cured tobacco. But the point is, that they'll take a buyer and he'll go from south, work his way north from [audio problems]...and then some of them even continue up to cigar wrapper [inaudible]...Wisconsin and Connecticut. So you don't sell at the same time.

WS: Well, what sets the scheduling? The curing or the buyers or...?

LP: Tradition. Which involves curing...of course, the farther south you are, the earlier you put the tobacco in the ground. [bad tape].....but flue cured tobacco is cured in five days by a process of heating it. Burley tobacco is a air cured type of tobacco, which is, you know, hangs in the barn for six to eight weeks or until whenever it's ready.

WS: As far as you know, have there been any attempts to get the [inaudible].....

LP: For all the problems we had in the burley belt, it's more pronounced in flue cured. And flue cured production has declined more than burley production has declined. It's not...you just wouldn't be able to, if for no other reason because of the allotments. Those allotments are down south, burley allotments are up here. And they don't move. Allotments can be transferred within a county, within a state, but they can't cross county lines or state lines.

WS: They can be transferred as...

LP: If you're raising tobacco in Lincoln County and I have a farm in Lincoln County and I want to raise tobacco, I can lease your tobacco allotment. But I can't take your Lincoln County allotment and raise it in Putnam County or Cabell County, let alone take it over to Kentucky or different states. It has to be within the county.

WS: You mentioned earlier that there were early markets in Huntington, Gallipolis and Hurricane. (LP: Milton) Oh, Milton. Did they set up as one, was one more important than the other, or were they kind of like a triangle?

LP: I don't really know. But what I do know is that you've got to remember. Times have changed a great deal. In fact, in those days, first off, the tobacco was going to market on a horse and wagon. It was a, I'm told, in some instances this might be the only time the farmers would go to town even, in the whole year, to go to market his crop, would be a journey of several days, maybe, to get there. And they would wait days to get unloaded and the tobacco sold. So you couldn't travel as far as you can now, hop in your truck to drive 60 or a hundred miles, is no big deal. There were a greater number of markets because people just simply couldn't travel as far to get to market. In that I'll also point out, when we came in and took over this market, we received strong encouragement from the state department of agriculture. Since we took over the market, production has increased substantially. There's a number of reasons for this. Probably the more important one being the increase in unemployment in industrial sector, and increase in price of tobacco. Although it's been priced for it to be frozen for the last two years, you look a little farther back, they increased substantially. So there's more money in the production of tobacco. And there have been some people within the Department of Agriculture who have encouraged

production of tobacco. But another factor in increased production of the state has been the fact that the market itself has gotten stronger. And for the crop to be raised, you've got to have viable alternatives for selling it. So we've been useful in that sense.

LP: You mentioned earlier about the like Brown & Williamson Export Company. Do you have any...export...is it just strictly overseas?

LP: No, it's just the name of the company. And actually, that's owned by Bantas, which is a multinational conglomerate. They own Sak's Fifth Avenue, all kinds of other things, as well. Brown & Williamson, Raleigh, Salem I think is their biggest brand. All these companies, well, maybe not Loriland. It's an international market. That's the fact of life in the tobacco business. Last year was a landmark year in the sense that for the first time, imports, now this is not just burley, but overall tobacco, it exceeded exports. Last year 527 million pounds were imported, and 525 million pounds were exported. But the general trend in this business is that the companies that have gone overseas, they have taken their expertise and their financial resources and they raise a lot of tobacco under contract, overseas. [inaudible]...into their blend. But of course, we export, as I mentioned, a lot well, the American farmer is having a very difficult time competing. The average price for a [inaudible]...tobacco in this country last year for burley was a dollar seventy-five cents a pound. And all they want overseas for a dollar.

WS: What a difference it is.

LP: Yes.

WS: The tobacco you handle, is it grown just for a certain type of use? I mean, cigarette or chewing or....?

LP: Really it is mostly for cigarette use. And well, that is far and away the primary use. But

burley is not the major...a cigarette blend consists of flue cured, burley, some [inaudible]...tobacco, which is thin leaf and different burning characteristics and small amounts of oriental tobacco. Which are...they have tiny little leaves and stuff real strong. But those are the components that go into making a cigarette. Plus all the additives that they put in now. Flavors are...everyone guards the secrets of their blend. They put in all kinds of additives.

WS: [inaudible]....crops raised and.....?

LP: No. And a particular example, and I know very little about this, is liquorice goes into it. But there's all kinds of stuff that goes in.

WS: As far as the farmers raising types of tobacco, numbers ten or thirteen or something, do the buyers ever mention they prefer if they raise number ten or whatever?

LP: The thing, there are all sorts of varieties of burley tobacco. And they, they differ, some of them will tend to be a little more red than others. But really, I think these varieties were developed a, to increase production, b, some of them are more better adapted to certain kinds of soils than others. And the other is they differ in their resistance to various diseases. So on a given field of tobacco, you might do best with a Kentucky Ten or a Virginia 409, whatever. And then you get hit with a disease and it might be that maybe you're better off, your production will be better if you go in with some variety that maybe its overall pounds per acre are not as high, but it's more resistant for a particular disease. Also, you take the same variety and put it in a different soil and get a different characteristic. West Virginia tobacco, in the trade they say we got hill tobaccer, which is characterized, one thing that West Virginia is in a thinner leaf. Now the thinner the leaf, the faster it burns. And this one of the things that company's are very aware of. Actually, the thinnest leaves tend to be the fanciest grades of tobacco. But when people talk

about hill tobacco, there are also mountain "baccers". There are also tend to be thinking about tobacco that's been raised on a smaller farm, which maybe less than ideal. Barns to cure it in, maybe not the most up to date growing practices, etc., and it might tend to be a little more ragged, not quite as large and not quite as fancy produced in central Kentucky. Our good farmers can produce tobacco as good as or better well, I say that, but still there's certain grades of tobacco you'll just never run into in this area. And the quantity of the really fancy grades of tobacco, like this [inaudible]...over here is a B2F, which the numbers refer to quality. And you never see first quality tobacco on our market. You can go to Lexington and you'll see some.

WS: How many numbers of qualities are there?

LP: There's five. And ours probably averages at around three and a half. You know, there's a lot more fourth and fifth quality tobacco brought to market in Huntington. And you'll find it in central Kentucky. And I'm sure you're...to characterize the grower, who's coming through the Huntington market, I would characterize it as a pickup truck market. Our average grower has a thousand to fifteen hundred pound allotment. Our average grower probably has a job doing something else, as well as raising tobacco. Or if he's raising tobacco, there are very, very few of them that are exclusively raising tobacco. If he's strictly farming, he's going to be running some cattle and growing a little corn and some hay and this, that and the other. But tobacco, it's just a Hell of a good cash crop. Well, it reflects it in any number of ways. In the year when we sold six million pounds of tobacco, we probably had four thousand different growers. Or at least allotment cards to take care of that. And while I do have one or two growers who are up in the 50,000 and over pound bracket, they're just a miniscule amount that.... Most of them are small, weekend farmers.

WS: When the small weekend farmers sell their tobacco in the fall, or winter, do they generally come in farm clothing, or are they dressed like it's a social event or....?

LP: Well, it is a social event. But it's not one that you dress up for. And of course, one way that you dress is warmly. Because these markets are just as cold as they can be. It...the marketing season runs from the first Monday before Thanksgiving through some point in January, when you get low on tobacco, when the companies announce they're not going to buy anymore. They always close these markets on the periphery first and then work their way in toward the center. So they're always selling later in the season in central Kentucky than they are out here, which of course, involves me. Because my growers, and the largest growers can't get all their tobacco, as a general rule, stripped and ready for market by the time I close. So somebody else is getting a crack at 'em every year after year. Because I've been shut down.

WS: [inaudible]....buy any more tobacco here. You never left any tobacco on the floor that hasn't been sold.... they would buy that up before they move on to another market?

LP: Well, you know, the way the companies work it, in general, they'll buy, every buyer is tightly controlled by his supervisor. They call it a circuit rider. And of course, it goes on up to hierarchy. But a buyer will be instructed that he can buy certain grades of tobacco on certain markets. And they're told not how many pounds to buy, but what percent to buy. And they follow this very carefully. And of course, it works two ways. In a year, when there's an over supply, like we've seen for the last couple of years, if the guy's instructed to buy 9% or 5% or whatever, and he comes in today, if he's supposed to buy 9 and he buys 12, well, chances are tomorrow he'll get cut back. And you know...and then, of course, in years when, and I've seen 'em, called an allocation year or the first year I was in business, there was a short crop.

And the demand was greater than the supply. And all the companies were bidding on all the tobacco. And then they very jealously were looking to see that they were getting the percent that they wanted. And one of the reasons that a company will have buyers on more markets than they need to in the years when supply is great, is that this is a business of...it's a tight little club. And it, this year, the company takes care of me by buying my tobacco when I'm having a hard time getting rid of it, next year, when there's a short supply, I'll see that that company is well taken care of. Because my...the way they work it is, in the first year I got into this business I said, "What the Hell is this? It's not an auction." Every buyer was bidding a dollar sixty-six on every pile of tobacco. Whether it was green, black, good quality, poor quality...it didn't matter. I said, you know, if this guy wants the tobacco, why didn't he just bid a dollar sixty-seven on that pile? And then obviously he'll get it. Well, the company's are generally competitive with one another. But I'm sure it was just a strange coincidence that they all happened to arrive.....

END OF SIDE 1 - TAPE 1

BEGIN SIDE 2 - TAPE 1

WS: The auctioneer, is he just kind of pivotal...or is he....

LP: Okay. The auctioneer is the most visible person in the market, but he is not the most important. There are several functions that the warehouse provides. There's a real ritual to the tobacco auction. On one side of the...you have two rows with the piled tobacco in the middle. On one side you have the representatives of the companies, and on the other side you have the warehouse employees. The, on the warehouse side, the auctioneer will likely be in front, immediately followed by the man who leads the sale. And that's probably the key...the guy that leads the sale, that's the key function in the whole selling process. He's the one who will instruct

the auctioneer. He starts, the way it works is, when in the sale, we'll come up to a pile, lead a sale, access the opening bid. The auctioneer picks that number up and he'll start chanting. And basically what he does, is he goes down in price until he gets a bid on the tobacco. And once somebody bids on it, then he'll try and work it back up until they won't bid any more. And then he'll sell it to either the high bidder, or he'll sell it in an allocation. He sells it to whomever the guy who leads the sale tells him to sell it to. And of course, the fellow that leads the sale, also handles the house account. Most warehouses, as well as conducting a sale, will also buy tobacco. And frankly, they do it for two reasons. One is to see that the farmer is not taken advantage of by providing some competition when it's necessary. And also, the warehouse will buy an opportune buy in order to make a profit on it. Because that's, to varying degrees, a profit center in the operation. So then following the guy who leads the sale would be someone who, all he does is pick up the tickets and hand it to the person behind him who's the ticket marker. And this sounds very menial. But the ticket marker really is just as important as the auctioneer. Nobody has ever heard of these people. But you got to realize, when you're selling tobacco, you never break stride. You walk right down that row and you spend very few seconds on each pile of tobacco. So the ticket marker takes the ticket off the pile of tobacco. And he very quickly writes down the, a symbol for the company that bought it, the either numbers or letters which indicate the company grade of tobacco and then the price at which it sold. And then he tosses it back onto the pile and this is all done just so fast you wouldn't believe it. And he might be writing seven piles behind where they're selling it and he's got to remember all these things as he goes along. And he can't slow down the operation. Because it's just...part of the game is that there are times when it's an advantage to slow down the selling. There are other times when, if you get them

really excited and competing, you've got to keep it going fast. You don't want to give the buyer time enough to second-guess or think back or worry about the one he just bought or have time to look and see what somebody else is bidding. There are just all kinds of games that go on.

WS: Would you call, during the auctioneering, as it goes on, generally is the situation kind of volatile or risky or...are the people....

LP: I guess it just depends on how it is selling. There are times when you just walk down the row with your head down and you feel like Hell, because nobody wants to buy any tobacco. But when it's, when they're bidding on it, it's just the most thrilling, exciting thing in the world. And I love it. It's just, really gets your blood boiling.

WS: How about the individual farmers? Do they have an option if they don't want to accept that price, that they can just....?

LP: Yes. Now, officially, a farmer has thirty minutes after the sale, in which he can reject his tobacco. I cannot speak for other markets. But my practice is that I'll let 'em reject it any time they damn well please. And I have gone and drug out piles of tobacco that were sold two days before and weren't shipped, either the farmer wasn't there for the sale and he's, you know, maybe his wife gets home and says, "Honey, my tobacco just brought a dollar thirty-five or something. And the guy's raising all kinds of.... Well, maybe it was just a terrible pile of tobacco that didn't deserve that much. But you do whatever you can to satisfy your customers. So we're, I'm willing to go back and reject a sale. Any time, as long as the tobacco is still in my possession. Once a company ships it, well, tough luck.

WS: Well, how does one go about rejecting a sale?

LP: Well, the traditional way is that you pick up the card that's on the pile. And you tear the

bottom corner off that is where the price is ripped down. We have a more formal procedure now on my market because as a general rule, in any business, the more confusion there is and uncertainty, the more room there is to get “screwed”. And so we now have a little form, a rejection sheet, which if the farmers wants to reject this pile, what we do is one of the responsible members of the, where either myself or the floor manager, and that’s another position that I’ll discuss, will fill this thing out and there’s a, it’s a three-part form. One part goes to the office, one part the farmer keeps, one part stays on the pile of tobacco. And what it basically says, is who owns the tobacco and why it’s being rejected, what’s to be done with it. It might be that the farmer’s going to take it with him. In which case, you’ve got something with his signature and your signature on it that says that he took the tobacco. It might be that he wants you to rework that pile and put it up on the next sale. In which case, you’ve got something sitting on the tobacco that tells your crew who comes in maybe that night or the next day, raking the floor, “Hey, don’t lose this pile of tobacco. It’s got to go back over to such and such an area to be re-weighed and re-sold.” So that’s, I’m giving you more detail than you really wanted to know.

WS: You just mentioned raking the floor.

LP: All right. Here’s what happens in the tobacco market. First you receive tobacco. Now, that’s where a farmer brings it in on his truck and your personnel will, if they’re really doing the job right, you’ve got somebody that....the first contact they’ll have in the market, the guy will come up to them outside the building and he’ll put a number on their tire of their truck. Now if the guy before you was a 119, your number is going to 120. And your truck will get unloaded as soon as 119 has been unloaded. And this is one of the earliest criticisms I heard at the market when I was first getting into this, was that they would play favorites and there’s no point pissing

off ten people in order to take care of your nephew or somebody....you just run someone in front of line. So they get inside the building and we'll split 'em up, according to whether their tobacco was baled or hand tied. Now you can unload a truck full of baled tobacco in fifteen minutes, while it might take you four hours to unload a big load of hand tied tobacco. So you send the hand tied all off by themselves, because you don't want to hold up people with baled tobacco, forever, waiting for this hand tied to get taken care of. Then we will unload the tobacco, put it on baskets. We have a person that comes a long and fill out the little tickets that go on the pile, as well as a floor sheet, which summarizes, if you come in and you've got what turns out to be six piles of tobacco, there's one floor sheet, which lists all your crop. And again, this is more detail than what you probably want. And then the tobacco is taken and weighed and lined up in the row somewhere on the floor. All this takes place prior to the sale. And most of the time a farmer will come in once to get received and he'll come back a different day, when his tobacco is sold.

WS: Is the farmer usually there when it's sold?

LP: If he has any sense at all, and I tell it to ever grower, be there when your tobacco is sold. Because if he's not there, you raise tobacco, you know how much work it's involved. Why go out and bust your tail for a whole year and then not be there for the five seconds when it all pays off. There are so many things that can happen. You know, maybe some idiot working for the warehouse has put a bale on top that's got some dirt in it. So then they come along and they grade it and it gets no support price and you either can't sell it or it sells at a price that's ridiculously low. Maybe the grader...for whatever reason, maybe he got up on the wrong side of the bed. He should be there when it's graded and when it's sold. So if anything goes wrong, you can bring it to our attention and we can take care of it. If you're not there when it's sold, and the

price isn't right for that tobacco, we have no way of knowing that you're not going to be satisfied with that sale, unless you're there. And it's very, very foolish not to be there when it sells. Maybe you're not satisfied with the weight on it. Well, if you had been there when it was weighed, you could see that uh...that was the correct weight on that tobacco, and maybe your bathroom scale, which is, you know, has a pretty high tolerance of inaccuracy, you might put these bales down one at a time. Some people will do this. They'll weigh it before they bring it to market. "Well, my tobacco weighed a hundred pounds more at home." But it just isn't so. There are all sorts of things that can go wrong if you're not there when it's sold.

WS: You mentioned earlier about the [inaudible].....and allotment card.

LP: Yes, that's [inaudible]....it's done by the ASCS in each county, and I won't elaborate on that. That's not really the market itself. But okay, so your tobacco is received. Then the next thing that happens is, well, there's a couple of things. First off, the paperwork goes to the office, where we now have computerized. And we pre-enter in the files, all the information that's relevant, the name of the grower, his allocation number, then, each individual pile we enter the unique identification number for that pile and the weight on that pile, then the date that it's sold, all you have to do is, you key in the grower identification number. His whole file comes back onto the screen and all we have to do, we re-key the weight, double check for accuracy, put in the grade of the tobacco and its price. And you don't have to enter all this other, so you can get the check out very fast. That's sort of the office end of it. On the other hand, on a sale day, the first thing that happens is the grader comes along, and he inspects the tobacco. And he puts a grade on that tobacco, which indicates its quality, where on the stalk it came from, and its color. And there are a hundred and seven different grades, and each one has its own support price. So this is

a very important function. It's done by a federal employee market [inaudible]...person. So it's, we can't control what grade he puts on it. But we can talk to them, you know, "Gee, sir, don't you think this is a little better than that?" And the farmer can talk to them. Sometimes it's negotiable.

WS: Now do farmers ever talk to them?

LP: Yes, I encourage them to. They might just to say, "What did I do wrong?" Or "How can I package this so it will do better the next time?" or it might be that, "I really don't think you done me right." Now, I failed to mention earlier, when I was talking about the sale. There's another function and that's what I do, at least on this market. And all I do is take care of the problems. If somebody is unhappy, I'm the first guy he wants to be in on it. Now, four years later, I do know a little bit about tobacco. But that is a very, very full time job and then some. So I can go back to the grader for the sale. Now, after it's sold, theoretically, a grade cannot be changed. But prior to the sale, you can talk to them and maybe sometimes it works and sometimes it doesn't. I'll go look at the tobacco, and if I don't think it has a chance in Hell of being improved, I'm not going to go to the grader, because he can also lower the grade on it, which I've never really seen him do. They'll accept it if the tobacco's wet. I run into a bit that's dirty, that would not qualify for any price. And if they didn't notice that the first time around, I'm sure not going to let 'em get near that tobacco to think about it again.

WS: You said there's a 107 grades. [inaudible]

LP: There are grades I never saw in my life until I went to the grade school this summer. I'd say thirty grades will take in the bulk of our tobacco.

WS: How fast is the grading done?

LP: Oh, they could just go right on down, pick up a, they're supposed to get a representative sample from each pile. And it takes, probably takes a little longer to grade it than it does to sell it. Depending on...this market had three graders. So you only got one line of auctioneer and selling, but you've got three different people that go in there. And they'll go in a half hour before the sale. They don't want to go in too early. Because if they grade it say three hours before the sale, that gives the farmer three hours to sit there and compare his with the guy, you know, on the other side of the room and just get upset and unhappy and go and bitch to the grader. So they don't want to do that. But then, the sale takes place. And then once the sale takes place, and then again, I'm skipping around. But this is what happens on a tobacco market. Once it's sold, the paperwork goes from in the office where you very quickly get a check printed for the farmer, if you're lucky. And you have a whole separate crew that comes in to break the floor. And that's to take the tobacco from where it sits and sold to the area where each company is shipping out. And the ship out process is a very, very, it should be simple, but it's not. Because you have to remember, when tobacco sells, the warehouse gives the farmer a check. We then, in turn, invoice the company for the tobacco. But until the company receives it on its own facility, we have possession of it. And we're left hanging for it. So I paid the farmer a thousand dollars for this pile of tobacco. If, through some mistake or dishonesty, the company doesn't receive it, that comes out of the warehouse's pocket. So we try to control the ship out function very carefully. We have our own people checking on each pile that's put on the truck. That can be a real problem.

WS: So you kind of have collateral methods going on?

LP: Well, you simply don't get paid for what they don't receive. And uh, you pay the farmer.

WS: What if you did have a [inaudible]...or something like that? Do you have a special specialized warehouse.....

LP: [inaudible]...backlogged. You never get it shipped out.

WS: [inaudible]...is it stored?

LP: No. You...the average...each company varies in its practices. Going from R.J. Reynolds, which the day after it's sold, it's gone. I don't care what happens. They are just real good at it. On the other end of the spectrum, I would say that the pool is, has been very slow in getting tobacco. Now, I said there were six buying companies. If a company does not buy the tobacco for at least one cent per pound more than the support price for that particular grade, it goes under loan to the farmer's cooperative. Which we call the pool. The pool is, the pool consists of every farmer who has sold tobacco but didn't go to a company. If you raise tobacco and some of it is taken under a loan, then you're a member of the pool. And what it is, is a cooperative that will take this tobacco that's not sold, they borrow the money and the tobacco program says, here's your propaganda for the day. It's the only commodity program that's self-supporting. The growers pay all its expenses involved.. But if your tobacco is not sold to a company, you get a check...you actually haven't sold that tobacco officially. It's, you're advanced the money, which is a support price for that tobacco. And the co-op processes it and stores it and gives later, when a company buys it, they get their money back and reimbursed by the CCC, which is the Commodity Credit Corporation, a part of the federal government for that. That was another [inaudible]....

WS: Are there, within the, instead of...are there conventions held or certain time schedules...?

LP: They are very carefully regulated. There's a thing called the Burley Sales Committee, which

meets in Lexington [Kentucky] in October of every year. And they set the opening date for the market. All markets have to follow the same rules. They will determine...actually, there's a real controversy. Because the, on one hand you have the warehouses who are very eager to please the growers. And we'll take it any time you farmers want to bring it in. On the other hand, you have the companies who want this to be a more orderly process, to suit their own cost and convenience and consideration. And they can only process so much in a given amount of time. So they'd like to see the thing dragged out and slowed down. Theoretically, well, it comes time when the whole system gets so clogged up that they will declare a holiday. And there's nobody selling anywhere until this period of time passes. And it gives them time to get the tobacco off the warehouse floors and into their own facilities, or to un-jam the floors. But you can only sell Monday through Thursday. And according to a predetermined schedule you open and such and such a day and then there's on the break, which goes from the middle of December into sometime in January. Which its function is to let them get that tobacco. They buy it so much faster. And then they'll r-open in January [inaudible-fading out]

WS: When the buyers pick up the tobacco, do they ship it by rail, or river or...?

LP: There used to be some rail transports. Practically it's all trucks now.

WS: The river's not used at all?

LP: No. Now, it used to be. And this goes back, you know, I'm talking about 1912, when the market was founded. But everything used to move on the rivers. We're going back before there were even railroads in existence. And I know for a fact that in this area, around the turn of the century, roads were not what we today would call a road. They were deeply rutted and muddy and impassible. A lot of times I know...specifically for apple production in this area, that all

went on the river. Because the roads were a hazard. Of course, that's another story, because until the locks and dams came in, Ohio River had rapids in it and sand bars and everything else, and it wasn't always navigable.

WS: Could that be why this location was chosen? For the warehouse?

LP: Well, Huntington was the western terminus for the C & O Railroad. Why Huntington was chosen, I...just don't know. It was chosen because at some point some individual took the initiative to put a market in. Now, why it continued here as opposed to Milton, Hurricane, or Gallipolis, I...I couldn't tell you. But it has a lot to do with....you can analyze the broad trends and macro this, that and the other. But probably it comes down to personality, somebody had more get up and go than somebody else did. So his market was successful while that one wasn't.

WS: Do you keep a count of the number of tobacco sellers every year? I mean, maintain like 4,038 or is it....?

LP: Yes. And particularly since we're computerized, we have access to lots and lots of information. Marketing and on the one hand, we...also our sales efforts with the companies. Now, when I took over, there were four or five companies. And I've lost American. They've left. But I've picked up some additional ones. And it has not been by accident. On the one hand, we were able to get the volume back up to the point where it would be worth somebody's while to come in. And I've gone to the companies, begged and done the best I can to attract them back to this market. Because if we're gonna be viable, we've got to have a strong company representation, or the growers are going to get someone else.

WS: You keep much what you call active contact with the companies? Or they kind of

periodically....

LP: I started out last year making, I go on a sweep through the South, and visit each one of them. That's something that I'll do again this year. It's not something that most markets do. I think most markets, you know, they'll be family businesses.... And I discussed this when you all first came up, this is a very unusual business. It's unlike any I've been involved with. Now I characterize it as southern orientation and rural. You're just dealing with a different element than what I've been accustomed to. But it's very tradition bound and most people just, you know, what will be will be or something. But I go around and try and cultivate the companies, get 'em to come here in the first place and buy more here. [inaudible]

WS: [reply inaudible - fading out] You mentioned tradition bound and such. How about the auctioneers themselves? Are they...do you choose them? Do they come here?

LP: We select our auctioneers. Auctioneers are a funny breed of people. An auctioneer may not have very much gray matter upstairs. But they can keep their mouths moving and that's, I mean, you can talk to somebody and say, "Now that guy's an auctioneer." You never met him before in your life.

WS: [inaudible]...how do they learn?

LP: Most of them [auctioneers] will start when they're very young. And they might just start working in a tobacco market. Whether it be receiving it or something. And at some point, if they're lucky, they'll get to the point where they're picking up tickets, handing them to the ticket marker. That's...a good thing. Because it lets them be right in the line and see what's going on. They might do this for years. And uh, just because a guy can auction off furniture or cars or something, doesn't mean he can auction off tobacco. A lot of them raise tobacco. They've all

been around it for a long time. And then gradually they'll get to the point where somebody will give them a break and let them sell a row of tobacco every now and then. And maybe go from there, getting a job with a little market somewhere in the middle of nowhere, selling full-time. And then if they're good, they'll work their way up to the big markets.

WS: So becoming an auctioneer is based upon their experience and knowledge, no family tradition? You know, my dad was an auctioneer, therefore he trained me? That ever occurred?

LP: Experience has to be gained on the warehouse floor.

WS: Bit by bit and kind of prove yourself?

LP: Yes.

WS: The average age of a top-notch auctioneer, would you say....? Could be thirty, could be fifty or could be....?

LP: Yes, could be eighty.

WS: Are there eighty year olds?

LP: Yes, there are.

END OF SIDE 2 - TAPE 1

BEGIN SIDE 1 - TAPE 2

WS: Interview with Lake Polan the third, of Pride in Tobacco Market, Huntington, West Virginia on April 18th, 1984, by Wallace Stowers of Marshall University. This is tape 2 of 2 tapes made.

LP: Well, as I was saying, the function that represents the market at the very least would be

trying to develop acquaintances with the growers and looking after their problems and what-not. And then hopefully, to be what we call, drumming, in the south as I learned, which is to go out and actually solicit business on the farms when they're not selling. This is something that everybody with the market should be doing when they're not doing what they're job [inaudible].... Because it's a competitive business and if a grower's not coming to you, he's going somewhere else. And the reason that the Huntington market went to Hell, was poor quality service. But also, the fact that they just didn't convey the attitude to the grower that they wanted their business. A lot of people, especially in the country, if a guy shakes your hand and says, "I'll be there," you can bet that he's going to be on your market. They take this obligation very seriously. But a lot of people want to be asked. They expect to be called on. For us, it's particularly hard because there's so many growers, it's hard to be there. But that's something else I wouldn't....

WS: The auctioneer, does he allow any flexibility, say he talks with a farmer and he knows this farmer particularly, say the farmers family was killed this year or he had a flash flood on his farm alone, something, is there flexibility that he can kind of hint to the buyer, "Hey, this guy really needs...."

LP: Of course, anybody that comes up and I hear more of this than probably anyone else. "I want you to help me out, Mr. Polan." Well, Hell, I'm gonna help anybody out. Now, if we're going down the row [of tobacco] and I may in my mind know that nobody's buying anything today, or there's a certain grade that this company wants that they're not going to go after, when we get to that man's crop, I'm gonna make a little show, I'm gonna, "Now, fellows, this guy really needs all your help," and you might make up some line about how, "This poor old widow woman," and

this, that and the other, you know. And sometimes it actually works. More often, the buyers, it's, they know that I'm performing, just like I know they're performing. But you know, we might take a buyer out to dinner on occasion, develop obligations and you expect them to help you out when you need help. I will work just as hard for a guy that's gotgotten a little cynical, a guy's that's got really crummy tobacco year after year, and is all the time being a pain in the ass. I'm not going to-, I don't care....I'm not gonna go out, I'm not gonna break my neck for. But whether the guy's raising 50,000 pounds or 500 pounds, I'm gonna do whatever I can for that person. And same thing is true for the guy that leads the sale, the guy that's auctioneering or any other representative, we're going to do what we can to.... And there's all kind of ways of doing that. As far as I'm concerned, all it doing what we're there to do. Hopefully your growers feel, you know, that you've really gone out of your way to help them. They deserve it.

WS: You mentioned about the use of computers and such, have you ever heard anything about the pre-computer methods?

LP: Yes. I'll tell you, back in the old days, they had people, they were called calculators. And this is a guy, you understand, nowadays, we go in one cent increments on a sale. But it used to be tobacco sold for fifteen cents a pound, there were quarter cent increments. You could sell it fourteen and a half, fourteen and three-quarters, fifteen cents, that kind of thing. Well, all of this stuff was figured up by a guy in his head, so that he comes down the row, pick up the picket and see this is 362 pounds at seventeen and a half cents, boom! he'd write down what that....what the total was on that, and could just.... It was another thing that was learned over a period of years. And when you get to Corby Conrad, you ask him about calculators, or Jack Knight. They can, they've been around and actually seen some of these characters. Of course, then, when we took it

over, everything was done with, you know, the old calculators, machines, it had all gone to machines. We went to computer and I thought this was just great. You know, you start with what are your performance criteria. And one of the things that I learned that people were mad about the Huntington market was that it takes too long to get their check. You can go to Lexington and hour after your sale, that check's in your hand and why should it take three or four hours here. Well, one reason is, that because the average crop here is so much smaller, the number of people that you're dealing with is much, much greater, which really bogs up the work. But I felt that I didn't want to be dependent on people I didn't know, handling the money. Because somebody can make an error, you know, and your, it comes out of your pocket. And the fact that it's not a full-time job that you're relying on people who may be back next year and maybe they worked. And we didn't feel comfortable having to rely on strangers that may or may not come back. So we went to the computer. And it took a little bit of doing. And actually, I promoted this very heavily and probably wasn't that good of an idea. Because a lot of farmers may not like computers. But at this point, we have the most sophisticated system probably in the country. And we're able to because we're in other businesses that require data processing. So we got machines that you couldn't just [inaudible]...tobacco market. And our hope is to completely, sometime in the future we would have this thing automated to the point where the tobacco is weighed in, the scale is directly tied into the computers, so that it's going to put the weight in automatically. We started this year with bar coding the tickets. And we got a little hand-held machine with a wand on it to read the unique identification number that [inaudible]... we were not able to apply that technology this year, because the machine came in late and the software wasn't ready and blah, blah, blah. But it's going more and more to the point of you

trying to remove people from places where they can make mistakes and let the machines talk to each other, and you'll get it done faster and more accurately.

WS: How do some of the older farmers or the old circuit buyers, do they want to keep tradition and the history of the thing?

LP: Yes, some do. You know, if a guy's been waiting in line for many hours, then you can shorten that wait by going to a machine. The buyer's, you see, after you finish paying off all your farmers, then your work is not nearly over in the office. Because there are reporting forms. You've got to provide each company with a summary of what his purchases were. And telling all, listing all the piles that they bought and all the information they require for that. You have to provide other reports to the ASCS, which is the Agricultural Stabilization Conservation Service, which is a department with agriculture, and they have all their record keeping what-not that you put with it. Aside from getting the checks out faster, the computer, in terms of the reports, just knocks them out in no time. And that made the buyers happy, because they're getting their reports early so they can go home and have dinner, put their feet up and forget about it, instead of waiting around 'til midnight to get the information they need to pass on.

WS: Before computerization, the old days or whatever, during the auction time, the actual auction times, was it generally late night, every night, Monday through Thursday or....?

LP: Well, there were a couple things that.... Before tobacco was baled, there was stick bradding. That means hand tying tobacco comes in on the truck, and it's still on the stick that it was hanging in the barn on. In order to receive it and put on the basket, you had to sort it by grade and you can't do that after such and such an hour in the afternoon, because you can't see it well enough to do that. Well, once you went to bales, where the farmer will have a bale with, this is

his reds and this is his lugs and this is his trash, you know, he'll mark that one, two, three, on that ticket that he'll put on the bale, so you can unload it at any hour, day or night, and you can keep going in that sense. You can't sell it after, well, on our market, for instance, Reynolds will not buy a pallet of tobacco after 3:30 in the afternoon. Because the light conditions late in the afternoon gets such where the buyer can't tell what he's looking at and the grader can't grade it. So there are limitations on how late you can run various phases of your operation, based on, and always has been, based on daylight. But people used to wait weeks to get handles on the this market. And a poor old farmer would come in uh, fresh off the farm with his whole years work on that damn truck and lots of them, by the time they went home, didn't have a penny in their pocket. All kinds of bars, dives, whorehouses and you name it and there were all sorts of unsavory practices that went on, the result of which was to deprive that farmer of his livelihood. That was before my time. Because the tobacco is now baled, and because service is all a market can offer, we will work until midnight, if that's what it takes, to anybody that comes in with a truckload of tobacco is not going to go home with that tobacco still on his truck. We're going to take care of it, I don't care how long we have to work. And we've done it. We've done just that. If a guy calls in and I'm going to be there at midnight, we'll have someone there to at least let him in so he can go in the waiting room and sleep until 7 the next morning when we can unload his truck. But we never turn them away.

WS: You have a waiting room, or...a lounge?

LP: Yes, at each market we have a lounge. You hope that your operation is so efficient that they never have time to use it. We put food service in it in both of them, at varying degrees of [inaudible].... It makes people feel welcome. You know, we have people that I mean, every day,

that mops the halls, scrubs the bathroom, because you don't want to go into a dirty place yourself, so you're not going to expect somebody else to want to. All just to improve the service. That's all we got to offer.

WS: As you said, it's increasing, so it must be working out all right.

LP: It is working out. We have captured 90% of the tobacco growing in the state, and we've gotten a lot more tobacco out of Ohio. Year before last we got a lot of tobacco out of Kentucky, which we lost this past year. But we feel that's primarily because we were getting people that simply couldn't get their seed somewhere else. Now, another aspect of this thing, each set of buyers can buy eleven hundred sixty piles per day. And in years, when there's a lot of tobacco being sold, this works to our advantage. Because we're the only market here. We have a full set of buyers. We don't share them with other markets. So we can...excuse me, it's twelve hundred and sixty baskets a day. If you go to Morehead, for instance, there's now three companies operating there. So they take their set of buyers and they divvy up those twelve hundred and sixty baskets per day, according to the proportion of floor space they have, in relation to the total floor space in the market area. And as a result, in years when there's lots and lots of tobacco, and there's, the market gets flooded, some place it might be a farmer's first choice, might not be able to handle them, because they can only take three or four hundred baskets a day. And we can take twelve-sixty. We've got a lot of overflow. A lot of farmers want to get it sold before the Christmas break. Because they want that cash. And in times like that, we can advertise, "Hey, bring it on, we can sell it tomorrow," you know. And we can, while maybe in Lexington or Maysville or Morehead or some place, they're, can't sell for two weeks. So that's just another....

WS: You said that you advertise that you can sell it overnight. Is there a traditional or certain

type of advertising that you do for individual.....?

LP: Well, the traditional type of advertising is soliciting where you put people out on the road and they go call on individual farmers and extract their pledge that that's where they're going to come sell their tobacco. It's not so practical here because I've got so many to cover such a large area. And [inaudible]...human resources. Everybody lives in the south except me, and they're only up here for the season. And there's only so much you can do. So I go to lots of meetings, and I try to do a little bit of calling. But during the season we have sent a lot of radio, television and newspaper advertising. It's something that I'm doing less of now because, when I first got started, it was important to get a message across, there's new people operating there. You know, there's something new happening in Huntington. Things are happening in Huntington. Because everyone had just written the place off. And you had to get the word out. And of course, your best advertising is word of mouth. If you've made one guy happy, and everybody plays this game, Joe Blow comes in from Carter County, Kentucky. There's an area where you haven't been getting much tobacco from. Well, so the market [inaudible]....maybe buy this farmers crop. He comes home and he's got a check, "My God, look at the average price on this thing. It's just out of sight." Well, then his neighbors might come or his friends or everyone plays that game, because everyone knows that word of mouth is the best form of advertising. The media has limited uses. And of course, we'll be doing some direct mail. [inaudible].....computer's [inaudible].....

WS: You mentioned [inaudible]...Lincoln County, for example, it's increasing production with the dam being built. Do you have any idea, the Department of Agriculture, are they actively pursuing such programs?

LP: Well, that would be according....the Department of Agriculture in West Virginia, woke up to the fact that hey, here is a potential cash crop that could be very important to the state's economy. The situation in West Virginia has been that there was more tobacco allotment out there than is actually being produced. You were allowed to raise a lot more than you were actually raising. And so, they hired a man by the name of Harold [inaudible]....a guy you should talk to. He is the tobacco expert, working for the Department of Agriculture. And he went out and started promoting tobacco's production. And sure enough, that's one of the major reasons that production has increased. There's someone who's encouraging it and providing information. But really, it's the price that made tobacco so attractive. Plus the fact that so many other jobs were disappearing. You can't be fired, you can have a hail storm or your barn can burn down. But somebody can't fire you so that you can't raise your tobacco. [inaudible].....Inco or Kentucky Electric Steel.

WS: What if uh, for example, a major hail storm hit half the county and the tobacco was like a week late from being harvested, do you still, would you still sell that or would you kind of weed....

LP: At this point, in part through my efforts, there is crop insurance for tobacco in West Virginia. And I would encourage growers, it's really cheap. It ensures you in your crop, if you get a disaster like that. You just have to look at each situation, case by case and weigh it.

WS: [inaudible]

LP: How much mud is on it, how much it's been torn up, what is the market. [inaudible]...trash in and get the same prices as the best tobacco. What government grade is it going to go on, is it good enough to get any support price. These are all questions that you have to look at, evaluate

[inaudible]....or maybe you should just disk it under and keep those pounds to raise next year and do better.

WS: I heard that when I was growing up, a few time [inaudible]....

LP: Yes. And haulers are, they're becoming less important. You see, haulers were more important, first off, around the turn of the century. You had, you might only have one guy in the county that's got a damn truck. The rest of 'em are on mules and horses. And so haulers used to be much more important than they are now. Also, haulers might develop relationships with the markets where if you have people lined up for a three or four-day wait, the hauler might have a special deal where he can come in and get unloaded. This is something that happened on this market, and made a lot of growers angry, as a matter of fact. But there's still, there are two large haulers in Gallia County [Ohio] that take a million pounds a year to Ripley, Ohio. And...

WS: They take it by large trucks?

LP: Yes, or they just go frequently. I have a grower that comes here, George Stone, from Hamlin, shows up here with 15,000 pounds on a forty foot tractor trailer. But that's not necessary. Most of, one of the haulers uses a pickup and what do they call it? A trailer that you can hook onto a pickup truck, gooseneck. What are they called?

WS: How big would these be?

LP: The hauler is collecting from the market, and he's also collecting from the grower. Now, the way one of 'em works, and this is another guy you should go talk to. Junior Cremeans. And I'll give you his number. He sells fertilizer to the farmers on credit. So they pay him to haul their tobacco to market. But what he's telling them, is as much as the matter of getting it to market, he's going to arrange it in just such a manner, he's going to negotiate with the buyers and he's

going to see that they get the best sale of their tobacco. Well, a lot of people still go to that. But more and more people take their own tobacco to market, because they're getting paid a haul bill. They can get their tobacco in, unload it without an undo amount of weight. And many[tape skips]....and they should be there with their tobacco when it's sold. Don't trust somebody else to do it. So, that's the story on hauling. We have haulers to come to Huntington. And I will not run a hauler in front of a, somebody else waiting in line. But I might make special arrangements, somebody.... Of course, any grower can call and if a guy needs to have his tobacco sold by such and such date, we'll make an appointment with them. They might have to wait in line to get unloaded, but that they can be guaranteed they'll be sold by the date.

WS: These haulers and others, people involved, how do you know they are haulers or whatever? Are they registered? Or do you know their family or what?

LP: No, just...you know. When you get in the business, you ask and you find out. And you talk to 'em and listen to all the b.s. But everybody knows. That's the way it is in the country. Everybody knows everything that everybody's doing.

WS: Pretty personable, down to earth....

LP: [inaudible]

WS: The present warehouse structure, did it used to be older warehouses, where....?

LP: You're sitting in a building that's a 200,000 square foot building. It was built back in the '60s when some old ones burned down. We're at number twenty, twenty-sixth street, Huntington, West Virginia. Across the street is a 60,000 foot building that is an old style tobacco warehouse. It's got low ceilings and tall, about 20 foot centers that are made out of wood. And it does have a concrete floor, which is considered modern in this business. A lot of them have

wood floors. Next, I have a new metal building, it was an identical 60,000 foot building that had a wood floor and it was literally falling in when we took over the property. It deteriorated to the point that while we looked at every way we could figure out to try and save that building, it couldn't be done, so we demolished it and we built another building in there, which I had used to sell tobacco, and I also used it for my warehousing operating. It was built with high ceilings and long spans and proper truck docks and what-not. So it's built not just to be a tobacco warehouse. Two years ago we opened a new market in the other end of town. And let me say at this point, the first year we operated in the 60,000 foot building, the second year we had the metal building next to it and operated in a 100,000 feet, [inaudible].... The following year we opened about a hundred thirty-thousand square feet in the west end of Huntington. It's an industrial facility that my family happens to own, which we renovated to make it suitable for this purpose, primarily by repairing the roofs and putting sky lights in it. It was a major investment. The advantage of the other location is that it's a mile off the interstate, it's close to Kentucky, and of course, there's more tobacco growing in one county in Kentucky than we've got in the whole state of West Virginia. And it's been successful. But I have learned, though, that you create problems by operating two locations. And if the circumstances were right, the ideal situation would be to provide enough space in one end of town or the other so that you could all have it together. It's more expensive to operate two locations. It's confusing to the farmers, they don't know where to go. Security is more of a problem. And you've got [inaudible]....it's not an ideal situation. Also, what we should have to operate a market this size, is to have probably 300,000 square feet of space. The turn that you get on your space is incrediblytheoretically, you should be able to bring a pile of tobacco in, unload it, sell it, get the Hell out, free up that space to come back in.

But in practice, companies are slow getting the tobacco off the floor, so that you get jammed up and backed up and you're looking everywhere for things. We have, we're operating, last year, or the year before, we had about 200,000 square, a little less than 200,000 square feet dedicated to the tobacco market. Which is not enough space, really, to operate. On the other hand, it's difficult to justify the expenditures to build space for a tobacco market, when a, the business is not my business, but the tobacco business has so many problems. And you know, they can...Congress, two years ago, came within two votes of eliminating the tobacco program. If that were to happen, you would find, I think, that they warehousing could, the tobacco markets would go out of business, because the companies would go back to dealing direct.....

END OF SIDE 1 - TAPE 2

LP: . . .with large growers for their supplies of tobacco. They would, the only use you would have for the tobacco markets would be a staging area. Because companies don't have enough room to put all the tobacco. It all matures within a couple months period of time. And if all those farmers wanted to bring all that tobacco to get processed, the companies just couldn't handle it. So, you know, the future of the business is relatively cloudy. And the cost of construction is so high now. You know, when these buildings were built, they might have cost \$3 a square foot. Today to build a building, it would cost two or three times that. And it sits vacant for most of the year. We have tried to pick up some of the slack. We put in a flea market, which does all right. But it's hard to find a use for space for just part of a year.

WS: [inaudible].... or you mentioned apples.

LP: Now the building we're in now, which is 200,000 feet and in which we converted to a grocery distribution center, Jack Knight used to lease to Owens Illinois for a ridiculously low

sum. And they used it in the off seasons for glass [inaudible].... I have heard that years back there was a farmers market in the tobacco market. And that's something that I'm actively trying to redevelop in this area. Because it's compatible. Tobacco sells in the winter, the farmers market would be active in the summer. So, but and the, as a rule, tobacco markets everywhere, you know, they'll store some fertilizer or a little of this or a little of that. But most of them just sits here.

WS: Not for those three months.

LP: Right. A tobacco market is more than a place to sell tobacco. All right now, from my perception, and one of the things that I've done with it, I've always felt that you just don't take in any situation. So if the market's to be successful, one of the things that we have to do is to try and contribute to the communities that we're getting our business from. We have, I sponsor a youth tobacco sale every, well, me and the Department of Agriculture and a few others. We work with 4H and FFA. These are things you know, you're encouraging. Your future has to be with youth particularly. And so, you try and spend a lot of money to promote tobacco production in these areas, to support programs that work with people who hopefully in the future will be our customers in these things. But from the point of view of the farmer, the market is certainly a social function. And I think this is less true now than it was in the way back. Back in the days when a guy came to market once a year, and that was maybe the only time he came off the farm or away from the local general store, it was a place where the people would meet, and get together and visit with each other and maybe exchange ideas. We tried to continue that tradition through promoting a tobacco festival. Which this market and R.J. Reynolds and to some degrees, the Department of Agriculture and some other sponsors, whose function is to sort of pat the

farmer on the back and say congratulations for doing a good job and hopefully provide a good time and an environment where they can just mix and enjoy themselves. And of course, the other function of that is to introduce the general public to the fact that tobacco has an important role in the local economy. So we started this, I guess the first year we did it, we had dinners, Reynolds and the market, first year we had 1500 people, then we had 3000, then we had 4200 people, which was a sit-down dinner. It was just unbelievable. It was a social function.

WS: Was that held here?

LP: Yes, right at the market. And we were, that's a whole 'nother story. But uh....it is a place where people....we try and have informational things available, a few displays and different things.

END OF INTERVIEW