FOIA Number: 2006-0467-F

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: Speechwriting

Series/Staff Member: Jeff Shesol

Subseries:

OA/ID Number: 19942

FolderID:

Folder Title:
Departure Statement - Tobacco 6/22/98

Stack:	Row:	Section:	Shelf:	Position:
S	91	6	10	1

FDA (WSJ) pressing on
Can't we cook up something for him to do
GW: fighting all around w/agency but
use active but unofficial lang
WSJ article portrait — will cont. on every reg front
JL: how can anybody oppose collecting info?
be explicit — pick that fight — their vehemence shows how unreasonable
PB: * "w/ or w/o Cong, C. presses ahead" (headline)

This Wk:
All set on ag — maybe more on rural areas
JP: we shdn't forget the real reason we got into this is to get into Hisp. media
~~from~~ get a little mo on
1) rural econ.
2) Hisp. press
3) appropriations
} Palm

Wed: Deadbeat parents — Amn: take on bankrupt. bill hard on making children the equivalent of credit card cos.
— talk about progress (rept?) on child care

Russia-Iran

SUNTUM_M @ A1
06/22/98 10:59:00 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:
Subject: 1998-06-22 President's Remarks Upon Departure

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release June 22, 1998

STATEMENT BY THE PRESIDENT
UPON DEPARTURE

Outside The Oval Office

10:18 A.M. EDT

THE PRESIDENT: Good morning. I'm about to leave for Vice President Gore's Family Reunion Conference in Nashville, something that he and Mrs. Gore have done now for many years, to discuss central concerns of America's families. And since we have been here in the White House, we have often used the conference as a springboard for new initiatives to strengthen our families and move our country forward.

Today we're going to be talking about health concerns of American families. Of course, one of the biggest health concerns is youth smoking, something we've been discussing a lot around here lately. We all now know that 3,000 young people start smoking every day, and that 1,000 will die earlier because of it, even though it's illegal in every state to sell cigarettes to young people.

That is why three years ago, through the Food and Drug Administration, my administration began to act to end the practice of tobacco companies marketing cigarettes to children, and why for the past year we've been working so hard to forge an honorable and bipartisan compromise to protect our children from the dangers of tobacco.

A majority of the Senate now stands ready to join us, but last week the Republican leadership placed partisan politics and tobacco companies above our families. Their vote was not just pro-tobacco lobby, it was anti-family. The bipartisan bill they blocked would not only protect families from tobacco advertising aimed at children; it would protect children from drugs, give low and middle income families a tax cut by redressing the marriage penalty, and make substantial new investments in medical research, especially in cancer research.

The congressional leadership seems willing to walk away from its obligation to our children, but this issue is too important to walk away. We'll continue to move forward on every possible front to protect children.

By the end of the year, the FDA's operation to enforce its ban on tobacco sales to minors will be active in nearly every state in America. And while we wait for Congress to heed the call of America's families, I'm instructing the Department of Health and Human Services to produce the first-ever annual survey on the brands of cigarettes teenagers smoke, and which companies are most responsible for the problem. Parents, quite simply, have a right to know. Public health officials can also use this information to reduce youth smoking.

The tobacco companies' automatic and angry dismissal of this new survey shows their continued disregard for their children's health and parents' concerns. We have a right to know. For years and years and years, they had information that proved tobacco was addictive and that demonstrated they were marketing to children -- and they didn't think we had a right to know that either. I believe this is very helpful information, and we'll do our best to get good, accurate, honest data.

Once this information becomes public, companies will then no longer be able to evade accountability, and neither will Congress. From now on the new data will help to hold tobacco companies accountable for targeting children.

Again, I urge Congress to pass bipartisan, comprehensive legislation rather than a watered-down bill written by the tobacco lobby. The leadership must put families' interests above big tobacco's interests. America's children deserve that, and I'll continue to do everything I can to ensure that they get it.

Thank you.

Q Isn't it a lost cause, Mr. President?

THE PRESIDENT: No.

Q Mr. President, absent any penalties, what confidence do you have that just finger-pointing at the tobacco companies will have any impact on teen smoking?

THE PRESIDENT: I think if you have an annual survey --first of all, I think it will be easier to get penalties. But if you have an annual survey that shows a substantial differential in brand preference among young people, then it will clearly demonstrate that there is something in the nature of the advertising that has something to do with this.

I mean, we basically know that the three elements involved here are advertising and access and then the general culture, so I believe that -- I think that advertising is very important. If there is no advertising -- excuse me, and price, the fourth thing is price. And so if advertising can be isolated and we can see that in brand preference, I think it will help us quite a lot to forge some good policies.

But you've got to understand, I still think we can get legislation, and I'm not at all ready to give up on it. I'm going to keep fighting for it. A majority wants it. The leadership of the Republican Party in Congress does not want it -- desperately doesn't want it. And the tobacco companies don't want it. But the American people do.

And all of the evidence that I've seen shows that the more people know about what's in the bill, as opposed to their $40 million characterization of it, the more their support goes up. So we need to keep fighting and we intend to continue to do that.

Thank you.

END 10:24 A.M. EDT

Message Sent To:

Final 06/22/98 9:00am
Jeff Shesol

PRESIDENT WILLIAM J. CLINTON
DEPARTURE STATEMENT ON TOBACCO LEGISLATION
THE WHITE HOUSE
June 22, 1998

In a few moments I will be leaving for the Vice President's Family Reunion Conference in Nashville, where I will speak about the health care concerns American families face. Before I depart, I want to make clear: one of the most important health issues our families face is youth smoking. 3,000 children a day start smoking, and 1,000 of them will die early because of it. That is why, three years ago, through the FDA, my administration began to act to end the practice of tobacco companies marketing to our children. And that is why, for the past year, we have been working to forge an honorable, bipartisan compromise that protects our children from the dangers of tobacco.

A majority of the Senate stands ready to join us in making progress; but last week, the Republican leadership placed partisan politics -- and tobacco companies -- above America's families. Their vote was not just pro-tobacco-lobby; it was anti-family. The bipartisan bill they blocked would not only protect families from tobacco advertising that targets children; it would protect kids from drugs, and give low- and middle-income families a tax break by redressing the marriage penalty. It would also make an important investment in cancer research.

The congressional leadership seems willing to walk away from its obligation to America's children. But this issue is too important to walk away. We will continue to move forward on every regulatory front to protect the health of our children. By the end of the year, the FDA's operation to enforce its ban on tobacco sales to minors will be active in nearly every state in America. And while we wait for Congress to heed the call of America's families, I am instructing the Department of Health and Human Services to produce the first-ever annual survey on the brands of cigarettes teenagers smoke, and which companies are most responsible for this problem. Parents, quite simply, have a right to know. Public health officials can also use this new information to reduce youth smoking.

The tobacco companies' automatic and angry dismissal of this new survey shows their continued disregard for children's health and parents' concerns. But once this information becomes public, tobacco companies will no longer be able to dodge accountability -- and neither will Congress. From now on, the new data will help to hold tobacco companies accountable for targeting our children.

Again, I urge Congress to pass a comprehensive, bipartisan bill -- rather than a watered-down bill, written by the tobacco lobby. The congressional leadership must put families' interests above big tobacco's selfish interests. America's children deserve better, and I will continue to do everything in my power to ensure they receive it.

U.S. to Study Brands Used By Underage Smokers

Clinton Order Aims At Industry, Hill Allies

By John F. Harris
Washington Post Staff Writer

A1

President Clinton plans to announce today that the federal government will begin conducting annual surveys to determine cigarette brand share in the market for underage smokers, a defiant gesture aimed at tobacco companies and their congressional allies.

Recoiling from the demise of comprehensive anti-smoking legislation in the Senate last week, Clinton will issue an executive order today directing the Department of Health and Human Services to begin documenting which brands enjoy favor among smokers age 12 through 17, as part of the yearly National Household Survey on Drug Abuse, senior administration officials said yesterday.

The tobacco bill, which stalled after failing to win the necessary 60 votes to end debate, would have called for such research into the youth smoking market. In one of its more controversial provisions, the bill also would have imposed large financial penalties on cigarette companies that did not reduce their sales to youngsters by 30 percent over the next five years and 60 percent over the next decade.

Those penalties, to which the tobacco firms vociferously objected, cannot be imposed now that the legislation has died. Moreover, they were likely targets for a challenge on constitutional grounds had the bill passed. But Clinton aides said there is logic to performing the market

See TOBACCO, *A8, Col. 5*

TOBACCO, *From A1*

research anyway.

Clinton, they said, has two objectives. The first is to project a public message of optimism: Clinton maintains there is a chance that comprehensive tobacco legislation will pass later this year, and it makes sense to get a head start on the brand surveys that will be needed to monitor the performance of the cigarette companies in reducing sales to minors.

But even if the legislation never becomes law, administration officials said, the surveys will be a useful way to put public pressure on the firms.

"For the first time, we'll have clear evidence of which companies are responsible for this problem," said one senior administration official who works on the tobacco issue. "We'll be able to see which companies are targeting youth."

Scott Williams, a tobacco industry spokesman, said yesterday that cigarette companies have agreed to support general research into the reasons for youth smoking, but that the industry objects to performing brand surveys or imposing fees on individual companies. He dismissed Clinton's planned action as a "political gesture" aimed at stigmatizing tobacco and diverting attention from Clinton's failure to pass tobacco legislation—his top domestic policy priority.

"It sounds like somebody just thought, 'What do we do now?'" Williams said of the executive order. "Brand surveys will not tell you what will work to reduce underage smoking."

Williams said Clinton is to blame for not exerting greater leadership to implement a settlement agreed to by state attorneys general and the major cigarette makers last June after close consultations with the White House.

Among several provisions of that June 20 agreement, cigarette companies reluctantly agreed to pay the government up to $2 billion in annual "look-back" penalties if youth smoking did not fall enough. The fees would have been paid by the industry as a whole, without reference to which brands were popular with young people.

The failed bill, sponsored by Sen. John McCain (R-Ariz.) and amended at White House insistence, would have increased the maximum annual penalty to $3.5 billion, and imposed additional penalties on individual companies that missed their targets. These company-specific fees would have been $1,000 per smoker for every smoker beyond the target.

While there are no reliable government studies, an administration official said Philip Morris USA, which makes Marlboro cigarettes, has about 60 percent of the youth smoking market and RJR Nabisco, manufacturer of Camels, has about 20 percent.

Under the agreement last June, cigarette companies would voluntarily curb their advertising, which many experts say is the biggest factor driving youth smoking, in exchange for limits on their liability in lawsuits. But the tobacco firms later abandoned voluntary limits, complaining that the legislation drafted by Congress and the administration had become too expensive and punitive. The industry committed some $40 million in advertising to defeat the bill.

Clinton plans to make today's action the first in a series of executive orders aimed at keeping the profile of the tobacco issue high, administration officials said. The strategy is patterned after Clinton's extensive use of executive orders in 1995 and 1996, when he was laboring to demonstrate his political and policy relevance in the face of opposition by the new Republican majority in Congress.

The Washington Post
Monday, June 22, 1998

Tobacco Pays For Crusade Against Itself

A1

By JOHN SCHWARTZ
Washington Post Staff Writer

TAMPA—Motorists driving down Interstate 275 once passed billboards inviting them to come to Marlboro Country or to swing with Joe Camel. Now, they see stark scoreboards that compare the more than 400,000 estimated tobacco-related deaths that occur nationally every year with the far smaller numbers of deaths caused by AIDS, murder and traffic accidents.

"Welcome to Killing Field," the billboards read.

Signs like these have begun appearing everywhere in Florida, going up on the sides of roadways, the tops of buildings and the walls of stores from Tallahassee to Miami. Cigarette billboards, which remain ubiquitous in most of the country—especially in urban centers—no longer exist in Florida.

The exchange of signs is part of an all-fronts attack on tobacco that is largely funded by the tobacco industry itself. Thousands of elementary school children statewide are receiving specially printed anti-smoking children's books, also paid for with tobacco money. Anti-smoking rallies are being organized with tobacco profits. And when Florida police write tickets for teenagers caught smoking, their pay is reimbursed with tobacco money.

This is what the nation might have eventually looked like if the comprehensive tobacco bill hadn't died in the Senate.

See FLORIDA, A8, Col. 1

FLORIDA, From A1

Florida, one of the first states to sue the tobacco industry to recover the costs of treating sick smokers, was the second to settle its suit. The state is using $200 million of that $11 billion settlement to kick off an unprecedented, aggressive campaign aimed at reducing underage smoking—led largely by teenagers themselves.

The death of a federal tobacco bill dims hopes of a similar program nationally. But regardless of what happens in Congress, states have continued to move forward on their own. Mississippi and Texas, like Florida, are spending some of the millions of dollars they received by settling their lawsuits to fight youth smoking, as will Minnesota. The state of Washington is scheduled to go to trial with its suit in September.

"I can guarantee you this—the attorneys general are going to keep this thing going. If we have to go state by state we're going to make this thing happen," said Mississippi Attorney General Michael Moore. He was the first attorney general to file suit against the tobacco industry, and the first to settle last year.

Besides the lawsuits, states have been taking action against the industry in many other ways. New Jersey has doubled its excise taxes on cigarettes from 40 to 80 cents, and the Utah and Iowa legislatures have passed measures to put cigarettes behind store counters, a safeguard against the shoplifting that is a part of youthful experimentation with tobacco.

No one knows whether these individual state programs will slow the rising teenage smoking rate. Matthew L. Myers of the National Center for Tobacco-Free Kids in Washington, who helped negotiate a proposed national tobacco deal, thinks the state-by-state approach is limited.

"You can't solve this problem within a single state," said Myers. "Kids in Florida are going to see the national advertising, and there is no one to rein in the behavior of the tobacco industry if the FDA [Food and Drug Administration] doesn't or can't."

Some of the state suits are stronger than others, Myers said, but "even if every state that has filed suit prevails, we're looking at years of litigation before even a substantial percentage of the American public gets the benefit of programs like those now being implemented in Florida and Mississippi."

The Sunshine State has been a particularly tough venue for the politically unpopular tobacco industry. Two recent lawsuits in the state have gone against the industry—two of only three suits over the health risks of tobacco that have ended with juries awarding damages to plaintiffs. And the industry has settled a class-action suit by airline flight attendants over exposure to secondhand smoke for $349 million. Next month a West Palm Beach courthouse will host the first class-action case brought by smokers against the industry.

Those court victories for tobacco opponents, however, pale in comparison to the state tobacco settlement. The state will receive a total of $11.3 billion over 25 years and has won extensive restrictions on tobacco advertising and marketing activities in the state, including the removal of virtually all outdoor cigarette advertising and vending machines in areas accessible to children.

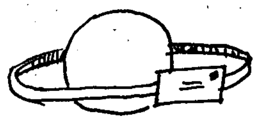
The most visible sign of the anti-smoking program being funded by the settlement is the in-your-face billboards designed with the help of Florida teenagers at a March statewide summit. The ads are part of a $25 million campaign that also features tough television and print ads featuring the slogan: "Their brand is lies. Our brand is Truth." A second, $70 million cycle will begin on July 1.

At the end of next month, a "Truth Train" will snake its way from city to city across the state,

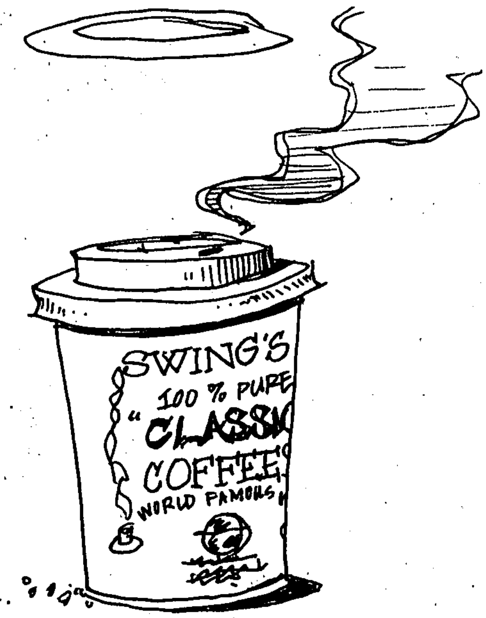
1/2

The Washington Post
MONDAY, JUNE 22, 1998

Anish 1-800-708-5392



SUNTUM_M @ A1
06/17/98 07:02:00 PM



Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: 1998-6-17 remarks of the President on the tobacco bill vote

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release June 17, 1998

REMARKS BY THE PRESIDENT
AND CHIEF OF STAFF ERSKINE BOWLES

The Briefing Room

6:15 P.M. EDT

THE PRESIDENT: Good afternoon. The vote that was just completed in the Senate clearly shows that a bipartisan majority of 57 clearly supports tough legislation to protect the children of this country from tobacco. Needless to say, I am very disappointed that a Republican minority blocked the legislation from being voted on.

Today, like every other day, 3,000 young children start to smoke, and 1,000 of them will have their lives shortened because of it. If more members of the Senate would vote like parents rather than politicians we could solve this problem and go on to other business of the country.

I have been working for three years now to protect our children from the dangers of tobacco. I want the tobacco lobby and its allies on Capitol Hill to know that from my point of view this battle is far from over.

Q Sir, what's your strategy, what do you do now?

THE PRESIDENT: Well, the Senate has to come back to it, but they have to do it in a hurry if we're going to act. After all, we only have six weeks until the August recess -- not quite that -- and then we have only a month or so when they come back, the month of September, because they will, doubtless, want to go home in October to campaign.

So the parameters of this bill are well-known; what has to be done to get a bill that can not only pass, but can actually be effective not only in raising the price of cigarettes, but in limiting advertising and having smoking cessation programs and giving the public health money out there, the research money we need. Everybody knows what has to be done.

We showed a lot of flexibility here in trying to work with the members of the Senate. We had a tax cut in there to deal with the marriage penalty for people with incomes under $50,000. We had some more anti-drug money in there. The lawyer fee issue was addressed in the amendment most recently adopted. We can do this, and we need to do it and do it promptly.

There is not a lot of time, but I think it would be a great mistake for those who believe that because of the $40 million ad campaign by the tobacco industry which has gone unanswered and which has a lot of things in it which are just false, that they now have a free ride on this to walk away from 1,000 lives a day. We don't have a free ride to walk away from 1,000 lives a day. And I believe we can do it.

Q Is it really dead? Isn't it really dead, Mr. President?

THE PRESIDENT: No, I don't think it is dead.

Q You were depending on it for a lot of tax revenue, Mr. President. If you don't get it, where do you find that revenue?

THE PRESIDENT: That's not entirely true. It is true that a lot of the things that I think should be funded in terms of giving this money back to the states, who are out a lot of money because they spent a fortune treating people on tobacco-related illnesses, could be used to help children and families with things like child care. The Senate voted for that, and I thought it was a good amendment.

But the most important thing here is not that. The most important thing is to protect children from the dangers of tobacco. And that is at the nub of this and that is what needs to be put front and center. And if they will do it, we can still do this. But they have to hurry. There's not a lot of time.

Q Mr. President --

THE PRESIDENT: Mr. Bowles is handling all the details of this, and I think I should let him come up and talk about it.

Q Mr. President, do you think there will be political consequences for the people if this bill fails?

THE PRESIDENT: I certainly hope there will be, and there should be. I think that there are those who believe there won't be because the public has been treated to $40 million of unanswered advertising by their allies. And they believe that the opinion that may be held in certain selected districts or whatever today is the one that will hold at election day. I don't believe that's true. I think when the American people understand fully what has been going on, they won't like what they see and they will be worried about these children. They nearly always -- the public almost always gets it right when they have enough time, and they've got plenty of time.

So I think we need to do this.

Q Mr. President, was it necessary to increase --

Q -- stay in session, and will you forego your own vacation in order to get this done? Would you forego your vacation?

MR. BOWLES: Sam, I'd be delighted to forego my vacation. As a matter of fact, seriously, I talked to Senator Lott today, and I told Senator Lott that we would be here in the month of August, that we would be here in the month of October, and we were prepared to move forward with this bill and continue to fight at every step of the process.

Q Is he the villain of the piece?

MR. BOWLES: I think there are 42 villains.

Q You're right, it was a serious question, and you answered it seriously. But the President could call on the Senate to stay in session until it took this bill up again and passed some version of the bill that could be sent to the House.

MR. BOWLES: We're going to continue both in the House and in the Senate to fight for passage of this bill. You're going to see this bill attached to almost every piece of legislation that comes down the pike. You're going to see us try to get the Hansen-Meehan bill discharged in the House of Representatives. We're going
to continue to move forward with this bill because it's what the American people want, and 57 senators voted for it today.

Q What do you think really then stopped it cold in its tracks now?

MR. BOWLES: I think this is what I believe is the worst of Washington. I think politics stopped this thing cold.

Q Well, what do you say, Mr. Bowles, to those who say there was a $350 billion deal that the state attorneys general made, and that in the process of getting legislation you added on another $150 billion which made it simply intolerable to the tobacco industry?

MR. BOWLES: I think that's incorrect. I think what we did was make this bill have a higher probability of doing something about stopping teenage smoking. Every study I've seen has shown that you need at least $1.10 increase in the price of tobacco in order to do something serious about stopping kids from smoking. So this bill that we had had full FDA authority in there; it had $1.10 increase in the price of tobacco; it had the right kinds of things in there to stop marketing to kids; and it had the right things in there to lessen the chance that kids would have access to tobacco. So it had the kinds of things that we felt were important.

In addition, it had what the Republicans said they needed. It had the anti-drug provisions; it had a tax cut. There's only one reason that this thing didn't pass, and that's that $40 million that the tobacco industry spent on it and the $12 million worth of campaign contributions that they had made.

Q Instead of getting a bill that the tobacco industry would have supported, that would have generated $350 billion in revenue, that would have done all the things on advertising, you wind up with nothing.

MR. BOWLES: Oh, I don't think it's any chance that we're going to wind up with nothing. I think they have made a clear mistake. I think the American people will demand this happen. I have not met a single parent that wants their kids to begin to smoke.

Q So you think November is going to show the results of this?

MR. BOWLES: I certainly hope so.

Q How does this affect the balanced budget?

Q The President said the ad campaign has gone unanswered. Why has it gone unanswered? Why haven't you responded?

MR. BOWLES: The industry has spent $40 million advertising. We have tried to do the best we could with the limited resources we had to come forward and get the message across to the American people. We have used the bully pulpit. The public health community has come forward with some ads, as you know, in order to educate people about this. We simply could not compete with that $40 million that the industry chose to spend.

Q So your basic strategy now is to attach it to every bill that goes forward?

MR. BOWLES: We're going to try to attach it to every major piece of legislation that comes forward. We're going to make this a fight to the finish.

Q Mr. Bowles, does the tobacco industry have reason to celebrate tonight? Has its investment paid off?

MR. BOWLES: I think the American people have a reason to really be sad tonight. I really do. I think every parent in this room should really be upset.

Q Did you and the President work the phones today, lobbying members of the Senate to try to --

MR. BOWLES: Yes, we did. And I think that's how we got 14 -- it's one of the reasons we got 14 Republicans to vote yes.

Q Approximately, how many senators did you talk to and the President talked to?

MR. BOWLES: I talked to a lot; I think the President said he talked to 10. I can't remember the exact number I talked to.

Q -- Republican Caucus today that led to this strategy of the defeat of the bill?

MR. BOWLES: I certainly think so.

Q Mr. Bowles, how will this affect the balanced budget?

MR. BOWLES: I don't think it's going to have a material effect on the balanced budget, Wolf. I think if you look at the budget we put together, the revenues that are going to come in here were going to be spent for research, they were going to be spent for counter-advertising and smoking cessation programs and public health. They were going to be spent for tobacco farmers and also going to be spent -- money going back to the states. And that's money now that we will not have, and therefore, we will not spend it.

Q Weren't you also going to spend money on child care?

MR. BOWLES: The child care money was in the money going to the states. There was about $25 billion going to the states; some of that was child care money. There was about -- Bruce, correct me if my numbers are wrong -- about $13 billion going for research, about $13 billion going for smoking cessation counter-advertising and public health, and about $10 billion going to the tobacco farmers. And I think that's roughly the whole amount of money.

Q Are you willing to come down on the overall number a little bit to try to meet the tobacco industry halfway?

MR. BOWLES: We have spent so long on this bill. We got it through the Senate committee on a vote by 19-1; we got 57 senators, well over a majority of the senators to vote for this thing. This is the right bill. This is the right construction. And we're going to go forward with this bill and try to get it passed.

Q Is this an indication, sir, that the President may have lost some clout with Congress because of his legal and personal problems?

MR. BOWLES: I don't see how. He got 57 senators to vote for him.

Thank you.

THE PRESS: Thank you.

END 6:28 P.M. EDT

Message Sent To:

PRESIDENT CLINTON CALLS FOR NEW DATA ON TEEN TOBACCO USE

June 22, 1998

Today, President Clinton announced that the Department of Health and Human Services will issue annual reports providing fuller and more accurate information on teen tobacco use than ever before, including information on teen tobacco use by brand. Noting that parents have a right to know which companies are marketing products to their children and that public health officials can use this information to reduce tobacco use among youth, the President reaffirmed his commitment to taking every step he can -- with or without the Congress -- to stop teen smoking. When the Congress once again takes up comprehensive tobacco legislation, these new data will form the basis for lookback surcharges that will ensure tobacco companies undertake meaningful efforts to reduce youth smoking. Today, one of every three teenagers smoke cigarettes and every day, 3,000 children become regular smokers.

even if cong will not.

The Expanded Survey will Provide Better Data on Teen Tobacco Use

To provide the information the President has called for, the Department of Health and Human Services will expand one of its major annual surveys, the National Household Survey on Drug Abuse (NHSDA), to collect new information on youth tobacco use. Conducted since the early 1970s, this survey is the primary source of information on illicit drug use in the general population and an important source of information on tobacco and alcohol use. The expanded survey will collect information on youth tobacco use by brand and will increase the number of young people surveyed and introduce computer assisted survey methods in order to improve the precision of the survey.

New Data will Help Parents and Public Health Officials Reduce Teen Smoking

The collection of data on youth tobacco use by brand will give parents new information and provide public health officials with new tools to address youth tobacco use. With this information, public health officials can determine how different kinds of tobacco marketing campaigns (e.g., the Joe Camel campaign) affect tobacco use, and they can target their tobacco control efforts accordingly. And when the Congress once again takes up comprehensive tobacco legislation, these new data will form the basis for lookback surcharges that will ensure tobacco companies undertake meaningful efforts to reduce youth smoking.

President Clinton is Committed to Bipartisan, Comprehensive Legislation

President Clinton also reaffirmed his commitment to passing bipartisan comprehensive legislation to reduce youth smoking that includes: a substantial increase in the price of cigarettes combined with additional surcharges on companies that continue to sell to kids; full authority for the Food and Drug Administration to regulate tobacco products; changes in the way the tobacco industry does business, including an end to marketing and promotion to kids; progress toward other public health goals, including biomedical and cancer research, a reduction in second-hand smoke, and smoking cessation programs; and protection for tobacco farmers and their communities. The President once again stated that he would not accept watered-down legislation that is designed to provide cover to politicians, rather than to bring about a dramatic reduction in youth smoking.

Tobacco Q&A
June 22, 1998

Q: What did the President announce today?

A: Today, President Clinton announced that the Department of Health and Human Services will issue annual reports providing fuller and more accurate information on teen tobacco use than ever before, including information on teen tobacco use by brand. Noting that parents have a right to know which companies are marketing products to their children and that public health officials can use this information to reduce tobacco use among youth, the President reaffirmed his commitment to taking every step he can -- with or without the Congress -- to stop teen smoking. When the Congress takes up comprehensive tobacco legislation, these new data will form the basis for lookback surcharges that will ensure tobacco companies undertake meaningful efforts to reduce youth smoking.

Q: How will these new data be used?

A: The collection of data on youth tobacco use by brand will give parents new information and provide public health officials with new tools to address youth tobacco use. With this information, public health officials can determine how different kinds of tobacco marketing campaigns (e.g., the Joe Camel campaign) affect tobacco use, and they can target their tobacco control efforts accordingly. And when the Congress once again takes up comprehensive tobacco legislation, these new data will form the basis for lookback surcharges that will ensure tobacco companies undertake meaningful efforts to reduce youth smoking.

Q: How will these new tobacco data be collected?

A: To provide the information the President has called for, the Department of Health and Human Services will expand one of its major annual surveys, the National Household Survey on Drug Abuse (NHSDA), conducted by the Office of Applied Studies in the Substance Abuse and Mental Health Services Administration. In particular, HHS will:

- **Expand the NHSDA to collect information on youth tobacco use by brand.** Currently the survey collects information on the percentage of children that use different types of tobacco products (e.g., cigarettes, smokeless), but does not collect information about which brands of these tobacco products children use.

- **Increase the number of teenagers surveyed.** HHS will increase the number of 12- to 17-year-olds surveyed to 22,500 to provide more precise estimates of youth use of tobacco, drugs, alcohol, and other substances.

- **Introduce Computer-Assisted Technology.** The survey will incorporate a new, state of the art technology called "Audio Computer Assisted Self Interview" or ACASI to collect information from respondents. With ACASI, respondents listen to questions through earphones and enter their responses by punching keys on a laptop computer. The greater privacy and confidentiality afforded respondents through ACASI increases the truthfulness of survey responses, which improves the accuracy and usefulness of the results. For 1999, this technology will be used only for questions related to tobacco use. It will be incorporated for other questions during the 2000 and 2001 surveys.

Q: By adding tobacco questions to the drug survey, isn't the President once again saying he thinks tobacco is a greater threat to our children than drugs?

A: In fact these changes will help us collect better information on both drug use and tobacco use. Expanding the number of 12- to 17-year-olds surveyed in the National Household Survey on Drug Abuse will give us more precise estimates of nationwide use and incorporating computer-assisted technology will improve the truthfulness of the responses.

Q: Does the President's action today mean that he has given up on Congress?

A: Not at all. The President will continue to fight for bipartisan comprehensive tobacco legislation in both the Senate and the House. But the President is determined to move forward to protect America's children from tobacco, with or without the Congress.

Staff Sectg
6 27 02

Py

Cynthia Rice 62846

Call for HHS to collect better smoking data on teens - which brands/cos. are marketing to kids
Bruce / Rahm will leak to POST (Harris) - exec action - we'll move ahead w/ or w/o Congress
- Rahm: we need an exec action. (This is the best on short notice)
- when Congress gets back to this, the data will help
hold cos. acctable

Departure statement 4 PS - South Lawn cards

For 3 yrs, press fwd - Cong walked away, but I am not waiting acting; law
they will shd pass bill, but we have to move fwd

When they do return,
whether in 2 mos or 2 yrs, we'll have this info...

3 yrs ago, we did
- FDA ... it was historic - now we're moving ahead
Aug 1996 - FDA rules - ad restrict, ban ad to kids

[look at Aug 1996 - Rose Gdn] tough FDA action to end marketing to kids
w/o?
one of most
I'm going to family conf; no issue more important
every yr. opp to +

What we must do to move fwd

from now on we will know which cos ~~still~~ do this...
do that...

We should approach this on 4 different levels:

✓ The Principals

They should be defining the issue broadly.

In the name of partisanship, the Republicans have killed Tobacco reform, educational reform, and child care reform, even a tax cut on the marriage penalty. They killed their own bill voted out of committee 19-1. They did it for politics and partisanship. That's wrong for America.

And we can invite them to a bi-partisan process while saying that we will veto any attempt to pass a bill that does not contain the safegurds that our children need.

The Family Conference speeches provide an opportunity for all three principals to talk about the health care issues and relate them to tobacco and the iimprotance of this bill.

BC - Rose Gdn yesterday on tobacco
Gore - Center for Nat'l Policy
- press office

SUNTUM_M @ A1
06/19/98 11:37:00 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:
Subject: 1998-06/19 POTUS remarks in photo opportunity

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release June 19, 1998

REMARKS BY THE PRESIDENT
IN PHOTO OPPORTUNITY

The Cabinet Room

THE PRESIDENT: First of all, let me say good morning, and as you can see, I'm about to meet with my economic team to discuss the present state of the American economy, the developments in the world, and how we can keep our economy growing. We're going to talk about the importance of promoting stability in Asia and meeting our obligations to the IMF, the importance of preserving the surplus until we resolve the issue of saving Social Security for the 21st century, the importance of not destabilizing our economy with gimmicks like getting rid of the tax code before we know what will replace it, and the importance of continuing our strategy of long-term investments to grow the American economy through education and technology.

Let me also make a few brief remarks on another obligation that we face, that I am still determined to see through -- and that is our obligation to the public health of our children and to protect them from the dangers of tobacco. We have a chance, as all the surveys show, to save about a million lives a year if we do the right thing on reducing childhood smoking. For six months we have worked hard and in good faith to meet all legitimate objections to the legislation and to join together the priorities of both parties.

Let me just be clear about this: every Senator who voted to kill this bill not only voted against the provisions which

Bruce:

close
vote ~~tobacco lobby~~ over
anti-family ~~family~~

go to town on marriage penalty — what a pro-family bill it was
gave parents fight. chance to prot kids
not only that — progs to stop drugs
+ tax cut for low/middle inc

This may be the most anti-family vote this Sen has taken.

will help to prevent teen smoking, which will help to put more research into cancer research and to other public health problems and help to promote smoking cessation programs; they also voted against fixing the marriage penalty and giving a tax break for working families with incomes under $50,000. They voted against new measures to crack down on drugs. They voted against life-saving research. They also voted not to implement a program that can save a million lives a year. It was a vote against our children and for the tobacco lobby. It's as simple at that; it is not complicated.

Now, some have suggested that Congress should now just get in line and do what the tobacco lobby wants them to do. That's the new suggestion: well, let's just do what the tobacco companies will let us do, and appear to be passing a bill that will reduce teen smoking, that everybody knows will not have very much influence, if any, on the problem.

I'm going to stick with the public health servants of this country. I'm going to stick with the people who know what it takes to do the job. And most importantly, we're going to stick with the children and their future. And I hope, therefore, that we can still stay in here and keep working, get a bill that will increase the price of cigarettes enough to deter smoking, that will have strong advertising restrictions, that will have strong access restrictions, that will invest in public health and do something honorable for the tobacco farmers. want

right by

Now, the Republican majority may want the tobacco companies to run the Congress on this issue. I don't. I think we ought to do this for the people. I think we ought to vote like parents, not politicians, and I still hope we can do that.

Q Mr. President, did both Democrats and Republicans get a little too greedy, put too much on this bill? That's certainly been suggested.

THE PRESIDENT: Well, let me just remind you that this bill passed the committee 19-1. This was almost unanimously voted out of a committee that had a Republican majority. You have people voting against this bill who voted for it in committee, after improvements have been made to it.

And some of the Republicans said, well, there is too much spending on health care and other things in this bill. So we said, okay, we'll take the bill to relieve the marriage penalty on couples of under $50,000. Others said, there ought to be something for drugs in here along with tobacco. So we said, okay, we'll agree to put some money in here to fight drugs. Others said, well, we ought to have some limits on lawyers' fees. So we said, okay, we'll have some limits on lawyers' fees.

Every major amendment -- every major amendment -- was sponsored by a member of the Republican majority. So they voted the bill out 19 to 1. They got their major amendments. They all got on record voting for these amendments. And then they turn around and kill the bill, which leads us to believe that they intended to kill the bill all along; they just wanted enough good votes to try to convince the voters back home that they really didn't want to kill the bill -- they just had to.

Now, again, the American Cancer Society, the American Heart Association, the Lung Association -- these people don't have $40 million, along with the medical associations. They didn't have the $40 million to run ads to mislead the American people about this. But they will be around when the ads stop running, and I think the American people can figure it out.

So I still hope that something in the way of conscience and good sense and good judgment will strike the Congress and we'll do this.

Q You're against a slimmed-down bill?

THE PRESIDENT: Absolutely. I'm against anything that provides no life saving to kids and is designed to save the political life of the people who vote for it, to provide them cover, but won't save the lives of the children. I don't see why we should participate in a charade.

Now, I have not been adamant about this. Look, I just told you, we accepted a lot of amendments to this legislation, and every single one of them was a Republican amendment. We have been totally reasonable about this. But the parameters should be the principles I outlined from the beginning that everyone involved who is a public health expert knows is necessary if we want to be serious about the problem.

Now, if we don't want to be serious about the problem, I don't think we ought to be looking for cover. The politicians who don't want to do it ought to look the American people in the eye and say, look, the tobacco companies have got a lot of power around here, they've helped us a lot, and we can't cross them. Or they ought to say, I just don't believe in this. They ought to just stand up and say, I simply don't believe in this.

But I am not going to participate in a charade which provides people with some cover to pretend that they did something they didn't. That would be wrong.

Q With regard to Japan, Mr. President, did Prime Minister Hashimoto give you any schedule for carrying out the reforms he pledged? And do you think it's important that they act before parliamentary elections in three weeks?

THE PRESIDENT: I'm not in a position to know whether they can do that. What he said to me -- and perhaps I should start with what I said to him. I said to him that the United States wanted to support the Japanese economic recovery, and that we had a big stake in it, that our economy depended upon it, and that in a larger sense the whole Asia Pacific region depended upon a Japanese economic recovery; but that no short-term efforts would work unless there was a serious, long-term, very comprehensive commitment to economic reform -- nothing that Secretary Rubin and Mr. Summers haven't said repeatedly in other forums.

He said to me that they were prepared to issue a statement which would be clear and specific about what they intended to do in a timely fashion. He did not say whether it would be before or just after the parliamentary elections, but he said he would not delay about it.

Q Mr. President, do you think that those who oppose trade with China have isolationist blinders on, as the Press Secretary said? (Laughter.)

THE PRESIDENT: I'm glad you put the last phrase in there so I -- (laughter). I never want to disagree with Mr. McCurry.

Well, I believe that, first of all, I think trade with China is important to promote stability in China and throughout the Asia Pacific region. Secondly, I think it's the biggest country in the world, a big market, and they're growing, and the American people ought to be able to get the benefit of selling to the Chinese.

None of that should prevent us from disagreeing with them. Keep in mind, we're not asking for anything special for China here. All we're saying is, if you look at all the other countries in the world that we trade with, with whom we have serious disagreements, there is no principled, grounded distinction between China and some of the other countries that we have normal trading relationships with for saying we're not going to have them with China.

And I think that we had worked very hard and had made a lot of progress over the last few years in having a principled debate about Chinese policy that was unencumbered by the politics of the moment, and I'm afraid that has slipped up a little bit in the last few weeks. But I hope we can get back to it.

You know, there are a lot of people who disagree with me on this. But you just can't draw a distinction between China and a lot of other countries we have serious disagreements with, but we don't have abnormal trade relations with. The idea that America should just stop talking to and stop dealing with any country in the world that does anything we disagree with and that that will make them more likely to do what we agree with, I think there is very little evidence to support that and there's a whole lot of evidence against it. We tend to get more done when we work with people, when we disagree with them openly, when we push them, and when they have something to gain by working with us. Most people don't respond very well to threats and to isolation.

And once in a while it works when you've got -- in certain specific cases. I mean, the trade sanctions worked in South Africa after many years because everybody supported them. And they helped us in Bosnia because everybody supported them. And they helped us in Iraq because it had the U.N. behind it. But here's a

case where I think we've got far more to gain with a constructive engagement with China. It's a very great country with enormous potential, that has cooperated with us in many areas to make the world a safer place in the last few years. And we have now found a forum and a way in which we can honorably express our disagreements and believe we can make some progress on. This is the last time to be making a u-turn and going back to a policy we know won't work when we've got a policy that is working. We need patience and discipline and determination to stay with what we're doing.

Q Mr. President, are you worried about the economic effects of the GM strike? And what is your administration strategy for possible intervention or at least a resolution?

THE PRESIDENT: Well, I've been briefed on it, obviously, on a regular basis by Secretary Herman. And I'm sure you know that under the governing laws of the United States the role of the federal government in a strike like this is limited. But I would like to encourage the parties to work it out. Our economy is doing well, our auto industry is doing well. They have some, apparently, very legitimate and substantial differences, but we've got a collective bargaining system which I support and I think they can work it out and I hope they'll do it in a timely fashion.

Q Thank you.

END

Message Sent To:

Michael Waldman
06/18/98 05:03:20 PM

Record Type: Record

To: Jeffrey A. Shesol/WHO/EOP

cc:
Subject: VP Remarks to Center for National Policy

---------------------- Forwarded by Michael Waldman/WHO/EOP on 06/18/98 05:06 PM ---------------------------

Jodi R. Sakol @ OVP
06/18/98 03:48:47 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:
Subject: VP Remarks to Center for National Policy

REMARKS BY VICE PRESIDENT AL GORE
AS PREPARED FOR DELIVERY
CENTER FOR NATIONAL POLICY
Thursday, June 18, 1998

Thank you for having me here today, to talk about a subject that is vital to any policy debate: how we keep our economy growing, and create more jobs and opportunities for the American people.

Nearly one year ago, I came before the Center for National Policy to make a simple case: that the new economic strategy President Clinton and I have pursued since 1993 was not only working, but that it represented something new in economic policy, and something new in our history; that it was helping to create a new economy -- but that we faced stiff challenges to that strategy, on every major front.

Back then, we were still fighting to balance the federal budget. We were still fighting for the strategic investments in training, in education, in technology and the environment that are so critical to growth. We were still fighting for American leadership and engagement in the world.

But above all, we were fighting those in the other party who simply refused to abandon the out-of-date dogmas of the past -- those who believed that the politics of raw ideology should take precedence over the policies that actually build and sustain prosperity.

We won those fights. In 1993, without a single Republican vote we enacted the new economic plan that virtually eliminated the budget deficit, and produced what many are now calling the strongest economy in our history. That laid the groundwork for the bipartisan balanced budget that helped us finish the job, and helped to keep our economy growing.

If there were any doubts then about the wisdom of our economic course, there should be none today. In the past 5 ½ years, our economy has significantly raised standards of living and added more than 16 million new jobs. We have the fastest real wage growth in 25 years, the lowest unemployment in 28 years, the smallest national government in 35 years, the highest rate of small business formation in history, and the highest rate of private home ownership in history -- all with the lowest inflation in 32 years. No wonder the Chairman of the Federal Reserve called today's economic performance "as impressive as any I have witnessed in my near half-century of daily observation of the American economy...it is possible that we have, in a sense, moved 'beyond history.'"

Actually, you could call it the law of intended consequences. We worked hard for these results. Ours was a three-part strategy, merging elements that had never been combined before: strict fiscal discipline, strategic investments in the future, and international engagement. Of course, government didn't create all those new jobs and opportunities -- the American people did. But government helped lay the foundation. And at the heart of our efforts was a new way of thinking. From our first day in office, we said: let's abandon the failed orthodoxies of the past, and build our economic strength on what actually works.

Five and a half years ago, you couldn't have described that as a traditional Democratic strategy, and certainly not a Republican strategy. But it has been a winning strategy. It has not only changed the political debate, it has changed America for the better.

Today, once again, our progress is threatened. Despite all the evidence that our economic strategy is working, some in the Congressional majority are determined to work against it. They would unravel our fiscal discipline -- even at the risk of raising interest rates, shattering confidence in our economy, and squandering the resources we need to finally close the generational deficit. They would squeeze down on our strategic investments in job training and education, and research and development. They would widen the opportunity gap instead of closing it, denying us the highly-skilled workforce we need for the 21st Century. Some would even compromise our leadership in the world -- holding hostage our ability to stabilize the world economy, and defend our economic and security interests abroad.

Worst of all, I fear that some in the Congressional majority have become so blinded by politics that their primary goal is not economic progress, but partisan conflict.

So I come here today to issue a warning: if we allow risky, partisan schemes to disrupt American economic policy, we could jeopardize our economic recovery. We could lose our best chance to shape the 21st Century into the most prosperous and productive time the world has ever known.

First, let us remember how far we have already come. When President Clinton and I took office, America's economy was reeling from years of flabby budgets, phony numbers, and flimsy investments. From 1981 to 1987, when the other party held both the White House and the Senate, they put in place the most reckless economic plan our nation has ever seen: irresponsible tax schemes, made-up numbers, and massive deficits. I know it's hard to imagine it today, but they actually quadrupled America's national debt in less than 12 years -- an act of breathtaking contempt for future generations.

The result was a vicious cycle, with faltering growth leading to bigger deficits, and bigger deficits causing higher interest rates -- crowding out the private investment that is the real engine of growth and jobs. By the early 90's, we had deficits at record levels, $300 billion a year, stretching out as far as the eye could see. Every time businesses felt a little strength in the economy and borrowed money to invest and expand, the combination of their borrowing and the government's deficit financing would put pressure on interest rates and the recovery would stall.

For years, Americans heard there were only two choices: tax and spend, or cut and run. We knew there was a <u>third</u> way: invest and grow.

As I said last month in Detroit, we replaced the vicious cycle with a <u>virtuous</u> cycle -- lower interest rates, more investment, more jobs, more growth -- which then fueled even greater investment in our future. And this is about more than spreadsheets and statistics -- it's about providing the opportunity that has always been the heart of the American dream. It's about giving every child a chance at a better, brighter future.

That is why, at every step of the way, we tried to reach across party lines -- to build what should have been a new bipartisan consensus on economic policy. It didn't quite work out that way -- and not just in 1993. In 1995 and '96, the other party shut down the government rather than agree to the strategic investments we believed our economy needed. But then, chastened by the outrage of the American people, the Republican leaders were forced to accept President Clinton's priorities. Still, in 1997, it took months of intense negotiations to produce a bipartisan balanced budget agreement based on those priorities. And it saddens me to say that now we are seeing that partisanship again, on three major fronts:

<u>First, there are some in the Congress who would risk our economy by allowing the first balanced budget in a generation to become our last balanced budget</u>.

By trying to use the budget surplus before it even rolls in -- and by recklessly voting to eliminate the entire tax code, with no way to replace it -- they would jeopardize everything we have fought for these past 5 ½ years: low interest rates, and a stable climate for investment. Our chance to tackle tough, long-term challenges like saving Social Security and Medicare. And the confidence of world financial markets, which could be damaged even before these risky plans pass through the Congress -- simply because of the <u>prospect</u> of new deficits.

Our economic power comes from a vote of confidence in America, a vote cast in markets around the world that evaluate every government's policies every day, through billions of transactions.

Today's economy operates on the information standard, not the gold standard. If investors think you're playing fiscal games, interest rates climb almost instantly.

That is why, barring an economic reversal, a national emergency, or a foreign crisis, I believe we should balance the budget this year, next year, and <u>every</u> year. Not through a Constitutional Amendment that would clog up the courts -- that was always just a cop-out for those who couldn't make the hard decisions to do it the right way -- but through the resolve of our national leaders.

Without that fiscal discipline, we will never cross the next great budgetary frontier -- saving Social Security for our children. So when President Clinton saw that we would have the first budget surplus in 30 years, he challenged leaders of both parties to reserve every penny of any surplus until we <u>save Social Security first</u>.

At first Congressional leaders embraced that pledge. And anyone who doubts the commitment of our own party to fiscal discipline and serious entitlement reform should note this fact: today, many of the most progressive Democrats have signed on to save Social Security first.

But in the Congressional majority, some have tried to back away -- proposing that the surplus be squandered on large, risky, and indiscriminate tax schemes, with no regard for our long-term fiscal future.

Last October, in testimony before the House Budget Committee, Speaker Gingrich was practically licking his chops over the first hint of a surplus -- proposing that it be used for everything from military projects to highways to reducing the debt, and a large tax cut to boot. Then, this April, before the House Ways and Means Committee, he announced that he'd seen the light, and said "I support the President's call to use every penny of the surplus to save Social Security."

The attacks came pretty quickly from within the GOP; one prominent Republican accused him of "hiding behind a 'wait-and-see' posture" rather than calling for more tax cuts. And just two days later, in early May, the Speaker couldn't take the pressure from his right-wing anymore, so he changed his mind and said he wanted to go back to using half the surplus for tax cuts. Barely two weeks after that, the Speaker supported the President's pledge again.

Ladies and gentlemen, we need an unbreakable commitment to save Social Security first -- not every other day, but every day.

Ways and Means Chairman Bill Archer's position has been more consistent. He has said all along that a large part of the surplus should be spent on tax cuts, because "the surplus is surging out of control." Think about that: a surplus that's "out of control." At least that's better than a Congressional majority that's out of control.

I recognize that it is easy -- sometimes irresistible -- to squander every penny the moment it becomes available. Some would say it's good politics. But it is dangerous fiscal policy. We've solved the budget deficit, but closing the generational deficit will take even greater fiscal resolve.

Yesterday, in one of the most irresponsible political schemes we have yet seen, the Republican House voted to abolish the tax deduction for college scholarships, voted to abolish the tax deduction for child care, and voted to abolish the tax deduction for health care for millions of families. It was a vote to raise the cost of home mortgages for struggling young families. It was a vote to make it impossible for any family or business to invest in the future with certainty or stability.

That may be why the non-partisan Tax Executive Institute said scrapping the code " illustrate[s] the folly of making tax policy by sound bite and should be rejected."

The Washington Post called it "a way to posture on the cheap in an election year...They've stopped producing bills in favor of producing bumper stickers."

The Chief Economist of the Chamber of Commerce calls the idea "more than a little dangerous." And now the National Association of Manufacturers is against it, too.

No wonder business thinks this idea is nutty -- because predictability and stability are essential for business planning. But then, stability is not a prized principle in today's Republican Party politics.

Let me be clear: we support tax reform -- which is why we have proposed the most sweeping set of IRS reforms and taxpayer rights since the tax code was first enacted. We support tax cuts -- tax cuts that are carefully targeted and fully paid for. Both of our major deficit reduction plans -- in 1993 and in 1997 -- contained targeted tax cuts. Today, taxes for middle-income families are the lowest they have been in two decades. But we do not support tax reform by wrecking ball. And we do not support using the budget surplus as a Congressional candy jar, which would only revive the runaway deficits of the past, and endanger the recovery we have worked so hard to sustain.

Let us keep the fiscal discipline our economy demands. Let us join together, across party lines, to save Social Security first -- and let's keep that commitment until the problem is solved.

Our economy faces a second threat. There are some in the Congress who would cut the strategic investments that give us faster growth and safeguard our prosperity for the 21st

Century.

Through lean fiscal management -- and because of our efforts to reinvent government, eliminating more than 200 outdated programs, reducing the federal workforce by more than 330,000, and saving $137 billion -- President Clinton has proven that we can balance the budget and invest in the future at the same time. And I believe there are three kinds of priority investments for our future: investments in people; investments in places; and investments in productivity.

Especially in this New Economy and Information Age -- fueled by innovation, driven by new technology, shaped increasingly by minds and not just by matter -- we need an aggressive commitment to invest in our people. That starts with education and job training -- for the highly-skilled workforce that is already in short supply. According to one recent survey, over 60% of corporate leaders say that the number-one barrier to sustained economic growth is the lack of skilled workforce. We must invest more in a world-class education for every American -- from pre-school to college to job training and retraining. We need quality health care, and a Patients Bill of Rights -- because a healthy workforce is a productive workforce. We need measures to strengthen families, because that's where people find fulfillment and healing.

We must also invest in the places where families live -- our cities, towns, and communities -- to make them safe, clean, sustainable places for economic growth. That means aggressive action to clean up our environment and protect our precious open spaces. It means more police and safer streets. It means empowering communities, especially our poorest areas -- because we know they have the most untapped potential. It means metropolitan strategies for development -- encouraging regions to work together to create jobs, clean our environment, and prevent urban and suburban sprawl.

And we must make investments in productivity, by funding cutting-edge research and technology, to fuel innovation and expand electronic commerce. That is why we are investing in 21st Century scientific research, and in the Next Generation of the Internet, moving at speeds 1,000 times faster than today.

Last year, we struck a bipartisan agreement for strategic investments in America's future. But the budget resolution that has now passed the House breaks the spirit of that agreement. It would mean severe and unnecessary cuts in areas that are essential to our economic future.

It could force deep cuts in job training and college scholarships. It could threaten Medicare and Medicaid, and even food safety. It could cut child care, and critical efforts to move people from welfare to work. It would cut efforts to ensure clean water and delay the clean-up of dangerous toxic waste sites. It could completely eliminate our 21st Century Research Fund, to invest in path-breaking scientific inquiry and new technology. It could even cut our efforts to put more police on the streets, all across America.

We don't know the full details of this smoke-and-mirrors budget; its savings and cuts are so vague, the New York Times concluded that it "fails the basic integrity test." But here is what we know to be true: a budget scheme that cuts training and education means we will not have the skilled workforce we need for the 21st Century. A budget scheme that cuts police and the environment means we will not have safe, clean communities to attract new investment and jobs.

Don't take it from me. One respected budget expert went so far as to say that the House Republican budget is "just a mockery." That was Senator Pete Domenici, Chairman of the Senate Budget Committee. I would guess that quite a few Republicans share that view.

There is one more investment -- one that is especially important to me, and to our children's future -- that has now fallen victim to partisan politics. And that is the fight against youth smoking.

When the Senate Commerce Committee, the very committee on which I used to serve, considered this issue, an overwhelming bipartisan majority -- nineteen to one -- voted for a comprehensive bill to dramatically reduce youth smoking, save lives, and save our economy tens of billions of dollars. Then something happened: the mighty tobacco industry decided to kill it. That's when the partisan parlor games began.

The Republicans said they wanted a tax cut in the bill -- so a tax cut was included. They said the bill spent too much on social programs -- so the spending was cut. They said the lawyers' fees were too high -- so the fees were cut.

For too many Republicans, those complaints were nothing but a smokescreen. Even with all those changes, last night the Republican Senate tried to kill the tobacco bill. Of course, 14 courageous Republicans joined 43 of the 45 Senate Democrats in supporting the bill. But that was still three shy of the 60 we needed to move the bill along.

Let me be clear: every Senator who voted to kill the tobacco bill voted against a tax cut for middle income families; against new measures to crack down on drugs; against life-saving research into cancer and other diseases. Every Senator who voted to kill the tobacco bill voted not to save one million American lives.

I know it must have been a difficult decision by the Republican leadership to kill the tobacco bill, not only because most Americans believe that it was morally wrong to do so, but also because they must have known it would cause a huge change in the people's perception of the Republican Party, and they must have decided that it was worth it anyway. And I'm sure people will get used to the new image -- the same way people got used to the Sugar Bowl on New Year's Day becoming the Nokia Sugar Bowl, the Fiesta Bowl becoming the Tostitos Fiesta Bowl, and the Independence Bowl becoming the Poulon Weedeaters Independence Bowl. Now, we're all going to have to get used to the Republican Party becoming the RJ Reynolds Republican Party.

America needs a comprehensive, bipartisan bill to reduce youth smoking. It's time for the RJR Republican Party to stop playing politics with American lives. And we're going to keep pushing this fight again and again, until we win this victory for our children.

There is another reason why we must support all these strategic investments in our future. Only by making our economy work for everyone -- only by sharing and extending prosperity here at home -- can we build and sustain a consensus for open markets, for international engagement, and for aggressive leadership in the world.

There are some in the Congressional majority who would risk our economy by shutting out the world, instead of leading and engaging it.

Above all issues, American leadership used to be the greatest bipartisan preserve. Today, a dangerous and growing isolationism -- a willingness to play politics at home with our interests around the world -- could push our prosperity over the edge. It is an abandonment of a great and longstanding internationalist tradition in the other party. And it is one of the single greatest threats to our continued economic strength.

We have seen this Congress drag its feet on IMF funding, while the Asian financial crisis deepens, affecting not only the markets of Europe, but also our own.

We have seen this Congress withhold our dues to the United Nations in order to play politics with a woman's right to choose. In the process, they are jeopardizing our progress in reforming the U.N., and potentially costing us our vote in the U.N. General Assembly at the end of this year.

Is that any way to honor the legacy of internationalism left by President Eisenhower, President Nixon, and President Bush?

We have been working hard, within the Democratic Party, to try to fashion a third way on trade -- to aggressively open markets while advancing labor rights and environmental protections around the world. But most do agree that with one-third of our growth tied to exports in the past five years, we must move forward in opening markets.

In the past few months alone, we launched a new trade partnership with the European Union, and new trade talks with Latin America. A major agreement to keep global electronic commerce duty-free. A landmark international anti-corruption convention. And as you know, I believe we must do still more to open up markets.

I also believe, as the President told the World Trade Organization last month, that competition among nations must never become a race to the bottom -- in environmental protections, consumer protections, or labor standards. Our goal must be to help more people benefit from the enormous possibilities of the global economy.

But our entire party can agree on this: if we shut ourselves off from the world; if we give up our seat at the table of world affairs; if we walk away from the most urgent financial crises for the sake of politics, our own economy and our own workers will suffer. And we will lose the leverage to fight for freedom -- freely-elected governments, the free flow of ideas, the free movement of products and people -- which is the surest route to prosperity both at home and around the world.

Consider the IMF. One look at this morning's trade numbers shows why the Congressional majority is wrong to undermine it. When Asian economies are hurt -- when foreign customers can't buy our products -- when foreign currencies lose their value, and our competitors try to flood the marketplace with cheap, devalued goods -- we are the ones that are hurt. We need the IMF to work with countries that are at risk, before the risk spreads to us. The IMF needs reform of its own. But to cut off IMF support now is like shutting down the Fire Department when the house next door is on fire.

It is one of the great and tragic ironies of our history that we are sometimes prone to turn inward when our power is greatest, when our economy is strongest, when our interests are most secure. That is why it is so wrong for Republicans to retreat into isolationism at the very brink of a new American century -- and that is why we are grateful to those brave few in the other party who are fighting for the IMF, and for paying our dues to the U.N., and for engagement in the world. Today, our ability to lead and shape the world economy is at its peak. We waste that power at our own peril.

Taken together, the postures and positions taken by this Congressional majority are as astonishing as they are irresponsible: removing all predictability from the tax code and squandering the surplus. Squeezing down on the education and training our workers and businesses need. Blocking our efforts to stabilize the global financial markets that are essential to our economy.

Consider this: the Republican Party of 1998 has achieved the remarkable feat of being simultaneously anti-labor and anti-business.

You all know about the new hit movie, "The Truman Show." When it comes to this Congress, I think we could use more Truman, and less show.

For 5 ½ years, President Clinton and I have sought to build a new economic consensus in this country -- one that reaches beyond the false choices and rigid politics of the past. After so much success, why would we go back to failed old economic dogmas? Why would we unravel the strategy we worked so hard to build?

I am still hopeful that we can forge a bipartisan solution to our economic challenges, and put prosperity before partisanship, once and for all. I am still hopeful that we can appeal to the great, lost traditions of the other party -- of economic growth, of fiscal discipline, of international leadership. But with jobs and incomes at stake, hope is not enough. The American people must be on notice. It is, after all, their economy. After sixteen million new jobs, and year after year of unbroken economic growth, we owe it to them to keep it strong. Thank you.