

Questions and Answers on Tobacco
April 18, 1997

Q. Are you pushing for a tobacco settlement?

A. My staff are staying informed of the talks. From the beginning, we have said we would be willing to consider legislation if it was brought to us and it measured up to the final FDA rule. Any legislation would have to be as strong, comprehensive, and effective as what we are doing. The parties in these negotiations know our bottom line is protecting kids and reducing smoking among youth. And we are focused right now on defending our rule in court and moving forward to implement it.

Q. Should the tobacco companies get immunity as part of a global settlement?

A. I understand that the parties involved in these negotiations have talked about immunity.

Let me tell you my focus: protecting children and the public health. That is what we are doing with the FDA rule to restrict access and limit advertising and appeal. We have 3,000 children and young people becoming regular smokers each day, and nearly 1,000 of them will have their lives cut short. We simply have to reduce the number of children who start smoking.

Q. Would you oppose a deal that grants companies immunity from future law suits?

A. I'm not going to prejudge where these current negotiations might end up. As I said, our focus is on protecting children and that's where it's going to stay.

Q. How involved are your staff in these negotiations?

We get regular and frequent updates about the status of the discussions. We have consistently impressed upon the parties that any agreement must be in the public interest and must lead to a reduction in the number of our children who start smoking. Any agreement will have to take into account the needs of all who are affected, and it's too early to tell what the terms might be.

Q: Should the tobacco companies get immunity as part of a global settlement?

A: I understand that the parties involved in these negotiations have talked about immunity. Let me tell you my focus: protecting children and the public health. That is what we are doing with the FDA rule to restrict access and limit appeal. We have 3,000 children and young people becoming regular smokers each day, and nearly 1,000 of them will have their lives cut short. The tobacco companies should not be selling or marketing their products to our children

Q: Would you oppose a global settlement package that included immunity from lawsuits for the tobacco companies?

A: I'm not going to prejudge where these current negotiations might end up. As I said, our focus is on protecting children and that's where it's going to stay.

Q: How involved is the White House in these negotiations.

A: WH to answer.

Q: Are you willing to make the White House a more active participant, a "broker," in these negotiations and become actively involved.

A: From the beginning, we have said we would be willing to consider legislation if it was brought to us and we could measure it against our own proposal, the final FDA rule. It would have to be as strong, comprehensive and effective as what we are doing. The parties in these negotiations know our bottom line -- protecting children. We are focused right now on winning in court and implementing the rule. We don't need any distractions. We need to keep our eye on the ball: Saving the 3,000 children and young people who become regular smokers each day and the 1,000 of them who will have their lives cut short because of smoking.

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Number of pages (includes cover) _____

Message: _____

If this is not clear, please call and we will send another fax. Thank you.

E. Dwyer

Press Guidance
April 11, 1997

TOBACCO

Bruce Lindsey is quoted in this week's National Journal on the White House position in the growing number of tobacco lawsuits. (See attached article)

- The President is open to legislative or other solutions that protect our children from tobacco products and from tobacco advertising. Any solutions, however, must meet the standards set forth by the FDA.

Is the White House directly involved in preparing a settlement?

We are prepared to be helpful if all parties involved believe there is a useful role for us. All sides of the various public and private tobacco lawsuits frequently update the White House on the status of these lawsuits and possible non-litigation ways to resolve them.

Is the White House saying that plaintiffs must receive money in order for a settlement to work?

No. The White House is saying that any agreement must satisfy all parties. Terms of an agreement should be addressed by the parties involved.

Bruce seems to indicate that a settlement must be reached by June in order to work?

No. Bruce was just stating the obvious. Once litigation begins it always makes the prospects of a settlement less likely.

When and how often does Bruce or anyone else at the White House meet with the parties? Are there any upcoming meetings scheduled?

All sides of the various public and private tobacco lawsuits frequently update the White House on the status of these lawsuits and possible non-litigation ways to resolve them.

Is the White House prepared to limit the FDA rule?

No. We support the rule and believe any resolution of these issues must meet the standards set forth by the FDA. The President wants to protect our children from tobacco products and from tobacco advertising and he is open to solutions which achieve that goal. We have always indicated a willingness to look at the issue of FDA jurisdiction in exchange for legislative enactment of the FDA rule.

Mellody
Approved by Bruce Lindsey

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

April 16, 1997

PRESS BRIEFING BY
MIKE MCCURRY

The Briefing Room

2:04 P.M. EDT

MR. MCCURRY: Thank you both. We don't comment on the specific articles that purport to draw from intelligence matters, because -- obviously because it's classified information we can't, but I will say that U.S. officials have regularly, at a very senior level, raised with senior officials of the Russian Federation concerns that we have about certain sales and certain transfer of technology and issues related to our proliferation concerns generally. That's a regular feature of our bilateral dialogue with the Russian Federation; it includes sometimes discussions that occur at the highest levels between President Clinton and President Yeltsin.

We have frequently discussed our opposition to the sale of advanced air defense systems to Iran, specifically, and we've received firm assurances that such sales would not occur. We, obviously, in this area monitor, activity very, very closely, and that becomes part of the basis by which we continue our dialogue with the Russian Federation.

Q Has the administration come up with some kind of plan to help communities or states deal with the threat of terrorism and biological or chemical threats?

MR. JOHNSON: Under the Nunn-Lugar legislation, there is some funding that has been provided for a program that FEMA is administering and the Department of Defense is helping with to train a number of cities' emergency response teams on potential threats such as chemical weapons -- in response somewhat to what happened in Japan a couple of years ago in the sarin attack in the subway. I think they're conducting an initial briefing on that at the Pentagon today. This is a program that's already been enacted and funded. I believe that 28 cities are a part of the pilot program and there will be emergency response training for those 28 cities. And the Pentagon is going to be talking about how that's going to be done.

Q I was going to say, does the military provide this training to communities? Is that's what is envisioned?

MR. JOHNSON: I think that the Pentagon will be able to tell you more clearly than I would on that. They may be working directly; they may be working through contractors. I'm not sure at this point.

Q Is this purely domestic?

MR. JOHNSON: Yes, this is for emergency response teams in cities.

Q Mike, how involved is the Clinton White House in the tobacco negotiations, and does the President really want an agreement under which the companies are no longer liable for medical problems of smokers?

MORE

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MR. MCCURRY: Well, let me make it clear what the President wants first and foremost. He wants the public health interests that he expressed when he launched his tobacco initiative to be addressed by any parties seeking to settle outstanding claims or settle litigation that's pending. Our interest is kids and preventing kids from smoking. And any settlement that would be reached would have to address exactly those parameters that the Food and Drug Administration established when they proposed their rule. So that has been our consistent message to all sides in these discussions, whether it's the attorneys general from the states that are suing on behalf of plaintiffs, whether it's the plaintiffs representatives, whether it's the representatives of the companies themselves.

Now, as to our involvement, our Counsel's Office through Bruce Lindsey has been in regular contact, I'd say in the last three weeks probably daily contact, with those who are having those discussions. It will be up to them to present to the White House anything that represents a proposal that would require action on our part or would require any legislative action. And our first and most important criteria will be, does it address exactly those public health concerns that the President raised when he proposed the restrictions on access and advertising for tobacco products as they are aimed at minors.

Q From what you know of the negotiations, since you're keeping such close touch, does the agreement that's taking shape meet those parameters?

MR. MCCURRY: I think it's very difficult to say at this point because the parties themselves, as there has been some public discussion now, are not at a point to say that they have any agreement. So I would not suggest to you that there is an agreement taking shape that we understand fully enough to state whether it meets the criteria that we have.

Q Well, Mike, what sort of legislative action is envisioned? I mean, what are the possibilities that are being contemplated?

MR. MCCURRY: Well, the specific interest we have in legislation -- and it goes back to when the President promulgated the proposed rule itself -- we have said all along that far preferable to regulation by the Food and Drug Administration would be an act of Congress which makes these restrictions the law of the land. That would be -- all along, we've said we'd prefer a legislative route because that's certain and it becomes federal law, as opposed to the FDA's assertion of jurisdiction in rulemaking which is now subject to litigation that could go on and on and on. We're interested in a certain outcome, the certain outcome being the protection of kids from the negative health effects of tobacco use.

Q Mike, just to follow up a little bit, can you be a little bit more specific than that? I mean, what would a law -- I understand you want a law; what would a law say?

MR. MCCURRY: Well, a law would say exactly those kinds of things that we say in our proposed rule, the kinds of curbs on access, on vendor sales, on face-to-face encounters, on advertising, on marketing, on targeting to kids that are at the heart of the rule that's been proposed and ready to be promulgated.

Q But, Mike, is the White House open to any agreement between the major tobacco makers -- cigarette makers and the attorneys general that would limit the liability -- the future liability of tobacco companies?

MR. MCCURRY: We believe that any agreement that the parties reach are going to have to be -- will have to be an agreement that takes into account all of those who are affected. And certainly those who want to litigate or who want to sue have to be protected in any settlement, and the nature of that protection would have to be sufficient in the eyes of the parties themselves in order for there to be agreement. That states almost the self-evident, but clearly if those who have brought these cases -- if the plaintiffs themselves are not satisfied with any of the terms of the agreement, then the agreement won't go forward.

Q Mike, in response to Terry's question -- Bruce Lindsey has apparently then communicated the White House view what you'd like to see in a deal like that. Have any of the parties express objection to those conditions?

MR. MCCURRY: Any objections to our standards? Not that I'm aware of. They are fully aware of the standard that we have set, which is that it has to meet the requirements that the FDA put forward and has to result in the public health outcome that we want here, which is the decline in use of tobacco products by young people.

Q That's not a hangup issue, as far as you know. Nobody has --

MR. MCCURRY: Well, that has been a very big hangup issue, which is why the industry is in court suing the United States for promulgating the rule in the first place. So that -- the assertion of jurisdiction by the FDA and the resulting regulations have been very much at issue and, to my knowledge, that issue has not been resolved.

Q I guess my question is, has Philip Morris and all these other companies said to Bruce that they'd be willing to do this if they could get the rest of this agreement?

MR. MCCURRY: They clearly know what our requirements are, and I don't think they would be proceeding with the conversations they're having unless they understood at the end of the day they would have to meet our requirements. But whether they will, whether the negotiations on other matters, specifically the pending litigation state by state, whether they resolve those issues, I think remains to be seen.

Q Mike, is it still your assertion that the White House is not a party to the negotiations, even if Bruce Lindsey is conveying what the White House would like to see in such an agreement?

MR. MCCURRY: That's correct. We are not in a position to negotiate with the plaintiffs, those who represent them, the companies, those who represent the companies. And, to my knowledge, Mr. Lindsey has not directly participated in any of the face-to-face discussions between the parties. Now, he's been available to meet with the public health community on this matter, with those who represent the states, those who represent the plaintiffs, those who represent the companies. And he has had regular contact with them. But he has not been in a position to actually negotiate formally between them.

Q So, Mike, if the parties come up with a compensation fund of, say, \$300 billion to pay for those who get cancer of whatever, that would be considered adequate by the White House?

MR. MCCURRY: I'm not going to speculate on the terms of the settlement. We'd have to look very carefully at anything that

comes forward, and we are following very carefully what they're suggesting. There would have to be adequate protection for those who have an interest. Clearly, those who have sued, those who are represented by the states do have an interest that would have to be addressed.

Q Mike, can I follow up on that?

Q Mike, the Democratic Senators that are sending a letter to the President saying they want a good deal, led by Senator Lautenberg, Wellstone and Durbin and a few others, saying they want a good deal, they don't want a settlement. Would you agree with the Democratic -- this group of Democratic Senators?

MR. MCCURRY: I don't understand -- they want a good deal?

Q What I mean is, a settlement short of legislation. They want a good deal. They don't want to --

MR. MCCURRY: Yes, well that's what we want too. We want something that protects kids along the lines of what the President has proposed and I suspect that our thinking is similar with respect to what we want as the outcome to the Senators who have written.

Q Mike, my question is really, shouldn't you jump into the negotiations as representative of the national interest, which is now not part of the mix of negotiations? Because at the end of the day, the tobacco companies will want something from the national government, namely an end to their liability. In order for them to get that, they'll have to have Congress and the President on board. Why should Congress and the President be there at the end of the day, why not be there at the beginning of the day?

MR. MCCURRY: I think in suggesting that we are making our views very well known to the parties and what our interests are in protecting the public health, we're fulfilling that responsibility and there would not be these conversations I am reporting to you with Mr. Lindsey if they didn't at the end of the day know that the White House was going to have to be -- find whatever settlement they propose as it relates to the action that the federal government needs to take, acceptable to the President.

Q But is there something that's preventing or militating against the United States being a party to these negotiations at this point?

MR. MCCURRY: Yes. I mean, specifically because the actions currently pending are litigation brought by states through their attorneys general on behalf of plaintiffs, so that is -- those are matters that we are not party to, I don't believe, because we have not entered into that litigation.

Q But apparently the negotiations are straying from merely individual, state-by-state interests to the national interests issues, namely a nationally granted -- liability.

MR. MCCURRY: There are differences between tort liability claims brought on the part of individuals and then the action that we've taken to protect the national public health. And we've made very clear what our assertion of interests are. We've made very clear also our belief that tort liability claims of individuals have to be considered and we'll see where they go as the parties discuss it.

There are intersecting issues here that reflect different levels of responsibility, whether it's the state

governments who have brought suit because they are trying to recover funds that they have expended under Medicare, or whether it's the national interest that is reflected in what we promulgated as national policy with respect to tobacco advertising and access of tobacco products to minors. And I think that obviously some of these concerns intersect.

Q Mike, to follow, is the size of the compensation pot a presidential interest or not? Is it something that you will pass on this whether this is adequate or not?

MR. MCCURRY: The President's interest here is assuring that those plaintiffs who have legitimate claims see that their concerns and needs are addressed. I'm not going to put a dollar figure on it or attempt to do that. That's something that needs to be worked out by the parties as they discuss these matters.

Q Does he think that's a legitimate claim? In other words, is he merely protecting their rights to sue, or does he agree with the proposition: Yes, there is some liability; the question is how much?

MR. MCCURRY: He agrees with the proposition that all of the parties that are represented in this dispute have to be satisfied with the agreement that is reached, that you can't short-change any one group, and the settlement needs to take into account the needs of all the parties.

Q Does he think that the parties would ever have gotten to the table in this way if the FDA and the administration hadn't acted --

MR. MCCURRY: I think the President believes it's highly unlikely that we would be having these conversations, which represent, as you can clearly understand, a major departure from the position the industry has taken in the past, if it weren't for the fact that the FDA is proceeding and the President is proceeding to protect America's health interests, and specifically the health needs of kids. I think Dr. Kessler, in fact, has even said that today, too.

Q New subject?

MR. MCCURRY: Yes.

Q On the 70 occasions when Webb Hubbell apparently visited the White House, did he or did he not meet with the President and First Lady?

MR. MCCURRY: Oh, I would assume he did. I don't know the specific answer to that. I would assume he did. He played golf with the President up at Camp David on at least one occasion, and I would assume that he saw the President and the First Lady. I don't know that for a fact, but I don't know any reason why he wouldn't have.

Q Mike, also, at the time that he played golf, is there any concern about the arrangement of his playing golf with the President and Truman Arnold, who provided money for him?

MR. MCCURRY: No. At the time, they were friends and they would have been golfing partners and would have had that kind of opportunity to socialize.

Q You mean, they did golf together before.

MR. MCCURRY: Oh, yes, the President, I think --

Q The President golfed with Truman Arnold and --

MR. MCCURRY: The President knew Truman Arnold well, and I think had probably golfed with him on occasion. They all knew each other and I think probably had played golf -- I mean, I don't know for a fact that they had played golf together in the past, but I wouldn't doubt it.

Q Some key Senators are saying that if the Alexis Herman vote doesn't happen tomorrow that it's lost, and a lot of people are saying that it doesn't look like it's going to happen tomorrow. What's the White House's plan B for this Alexis Herman nomination?

MR. MCCURRY: We are working very closely with any Senator who has got concerns related to the nomination or related to unrelated issues, to address those concerns so we can proceed with the vote. At the end of the day, we believe she will be confirmed, and we are working as hard as we can to satisfy the concerns that Senators have raised principally on a matter that is, while within the jurisdiction of the Department of Labor, not something that has been specifically raised about Alexis Herman.

Q To address those concerns, is the President prepared to drop the draft executive order on federal contracting, or will he consult with senators to change the draft as it's circulating around?

MR. MCCURRY: We are actively consulting with senators already. The executive order itself was only in formation and was -- had not neared final draft form in any event.

Q Would you say it's on hold now?

MR. MCCURRY: I'd say that it's still in progress, but not nearing completion.

Q Just to get back to tonight's meeting --

Q Can we just finish this?

Q Okay.

Q Are you saying it's not nearing completion, and are you saying that it won't near completion anytime soon?

MR. MCCURRY: No, I'm just saying it's not -- it's going through the regular rulemaking review and the OMB-ordered review, and that, in any event, had a ways to go.

Q But it's still his intention to issue it?

MR. MCCURRY: It's still his intention, as the Vice President announced in February, to proceed with that executive order. It's not dissimilar from the kinds of approaches that some Republican governors have taken. Governor Pataki, Governor Christine Todd Whitman on project labor contracts have done similar things. We are looking at promulgating some type of federal executive order on that, but that will have to continue to be reviewed through an interagency process that will likely take some more time.

Q In the wake of all of this new controversy with Alexis Herman, though, is the White House prepared to say now that the nomination is in trouble?

MR. MCCURRY: No. The White House is prepared to say that she deserves to be confirmed and confirmed quickly. That department needs to have a secretary in place. It's been a long

time. There is a vote that's been scheduled, and the vote needs to occur.

Q -- at the time to be confirmed.

MR. MCCURRY: We're working hard to unsnag the snag.

Q What's on the agenda this afternoon with the Hispanic Caucus?

MR. MCCURRY: I'm sorry?

Q The President's meeting with the Hispanic Caucus.

MR. MCCURRY: He's looking forward to an opportunity to talk to them on a range of issues, principally and interestingly, first and foremost, education. Accessibility of education, particularly as it relates to bilingual education programs for adult and young Hispanic populations, is a very, very important part of economic empowerment for the Hispanic-American community. Really, the need to make sure that quality education is available and that particularly the kind of funding that we have proposed in our FY98 budget for bilingual and English as a second language programs is really part of making sure that Hispanic Americans can participate fully in the economic life of the nation because that becomes to their economic performance in the future.

There will be other issues that they will want to review, too, I'm sure, related to immigration, some of the changes we're seeking in welfare reform as they relate to benefits for legal immigrants. There will be some discussion of the President's upcoming trip to Mexico and to Latin America. I think the Hispanic caucus has already said publicly they want to talk about representation of Hispanic Americans in appointments made by the President and the general question of representation in the federal employment work force. And all of those issues, the President is prepared to address and looks forward to a good conversation.

Q Any coverage for this event?

MR. MCCURRY: Not -- no, these are -- are we doing it in the Residence? It's one of these ongoing sort of part social, part business efforts we've been making to reach out in a bipartisan way to members of the Congress.

Q Mike, are you going to do any readout after tonight's dinner?

MR. MCCURRY: I don't plan to. I think we've given you a good sense of what the lay of the land is. I can tell you more tomorrow about the President's general reaction to it. Some of the members who participate might stop by -- if there is a stake-out, might stop by and give some of their own feelings to it, but I'd prefer to kind of do the general reaction to it tomorrow if that's okay.

Q Mike, it seems like the meeting might have more value if Gingrich and Helms were both there. I wonder, if these are real scheduling conflicts, whether you guys considered moving the meeting, or if they're not real scheduling conflicts, that this is more evidence that Gingrich isn't really part of the process -- that he suggested he wasn't on the budget last week.

MR. MCCURRY: He's a part of the process because the Speaker of the House always is. I don't know the nature of the scheduling conflict they had, though we would have been delighted to have them there. But we also, in the case of Chairman Helms, I think it's well known that we work sometimes at -- in a somewhat different

direction with him on some foreign policy issues, but we also have ways of reaching out to him, as I think Secretary Albright ably demonstrated just recently. So we remain in close contact with the chairman. His agenda is certainly a somewhat different agenda from the President's and the administration's, but we will seek additional opportunities to work together with him.

I would also suggest in his case, he's very familiar with the President's strategic vision in foreign policy and works on that almost daily in his capacity as chairman of the committee, so this session will be a way to enlighten a broader sampling of both the House and the Senate on a range of issues.

Q Mike, back on the Herman nomination, aren't you risking setting a poor precedent by the kind of soft language you're using in responding to these extortionate demands? It's one thing to --

MR. MCCURRY: Leo, we're trying to get her confirmed. I'm trying to be careful so I don't mess that up. (Laughter.)

Q Well, that's my question -- if you have a nomination --

MR. MCCURRY: If it really was getting in as much trouble as some of the questions concern, I think you'd be hearing a little different --

Q My question, Mike, is this: If you have a nomination where somebody up there objects about something in the background or experience of the nominee, that's one thing and you folks are addressing that. But if they're going to hold nominations hostage and you respond in very mild, accommodating fashion, doesn't this set a precedent for them to simply raise the ante on something else and pretty soon you're held up on all kinds of things being ultra-nice to people and tactics that you really should not counter?

MR. MCCURRY: No. (Laughter.)

Q Setting your hair on fire --

Q Why --

MR. MCCURRY: Because -- look, we're trying to -- we've got an issue, we're trying to work it out. In the end of day, we hope she is confirmed and we hope she's confirmed in the next 24-48 hours, so we will see what happens.

Q What's holding you back from denouncing their tactics?

MR. MCCURRY: Our desire to see her confirmed.

Q What does the President want out of this conference tomorrow? Anything concrete that he's looking for, or is this primarily just discussion?

MR. MCCURRY: Let me talk a little bit about the White House Conference on Early Childhood Development and Learning, what the newest research on the brain tells us about our youngest children. The formal title of tomorrow's conference, I'd like to see --

Q Does this take the record for the longest title of a White House conference yet?

MR. MCCURRY: I hope so. It had better. Maybe we had better get that on the placard right behind. But the conference is

going to highlight some very important new research on brain development in very young children, principally children ages zero through three, discuss what it means for parents, for care givers and for policy makers.

We know now that a child's early development is heavily affected by the things that parents and others who care for children do with them and around them very, very early in life. And what we want to do tomorrow through the interest that the President and the First Lady have generated in the subject is to share some of this important research, to provide some of the experts who have really developed the information, and then share that with the broader communities so that in the end, as the specific outcome, parents understand how important it is for them to begin nurturing children very early in life.

The conference itself will be a call to action to all members of society, including the business, the faith, the health communities. It'll be a chance for the media, for health care specialists, for health care providers to understand what they can specifically do to create more opportunities for young people to get the kind of nurturing they need early in life, and the President will, in fact, have some pretty specific announcements that he makes tomorrow about things that the federal government can do to encourage this type of very important care for the early development of the health care needs of children.

Q Is he going to attend the whole thing, all day long?

MR. MCCURRY: He will be -- I think there are two sessions. There is a session that begins at 10:30 a.m. The first session goes from 10:30 a.m. until 1:00 p.m. There's a lunch in the State Dining Room for some of the participants, and we think the President probably will attend on that. He has an option on that. The First Lady will host throughout the day, obviously, and then there's a second session tomorrow in the afternoon from 3:00 p.m. to 4:30 p.m.

Q Can you say what the coverage is?

MR. MCCURRY: Coverage is in-house pool coverage, plus a media affairs pool on a rotating basis. And we've got audio -- will be fed all day long in here, so you can follow very closely the expert testimony that's being provided.

Q Will you brief tomorrow?

Q So, Mike, it's primarily an educational conference to spread the news about the research, rather than a policy --

MR. MCCURRY: It's partly that. It's partly to highlight and put some real focus on the needs that little kids have when they're very young in life. I think that many parents don't understand what impact they can have on children who are in the almost pre-toddler age, and making sure that parents understand that and figuring out ways that information can get to parents is part of the task tomorrow, and there will be, as I say -- you know, the President does have some specific outcomes in mind of things that we can do to move beyond just the conference itself to make sure we develop both government policies, then also working with health providers and others ways that we can follow up on some of the research that will be talked about tomorrow.

Q Are these things that have not been out in the public yet? Aren't these --

MR. MCCURRY: There are a couple of things the President will announce tomorrow that have not been public yet.

Q -- no, no, no, I don't mean the President, I mean, this information -- this research and things you're talking about. Is it already well publicized --

MR. MCCURRY: Well, a lot of it is new, but right now it's more often shared within the medical community and in medical journals and places where the experts talk about pediatric care and early infant care. What we're trying to do is move it more into the popular culture now to make sure that parents have a better understanding of what they can do that will really help their children develop, both mentally and physically, early in life in a way that will lead to better health and better opportunity later in life.

Q And what time do you expect his announcements?

MR. MCCURRY: Probably in the early session, in the first session in the morning.

Q What do you say to critics who contend the President went exactly in the wrong direction, given all this knowledge, by signing the welfare bill and shortchanging the needs of young kids by putting greater stress on their parents and putting them out of the home?

MR. MCCURRY: We'd say they're wrong.

Q But I mean --

MR. MCCURRY: Because for all of the reasons that when we had the welfare reform -- because, ultimately, another thing that will nurture and provide better health care and better quality of life for children who grow up in households in which the parent or parents are contributing wage-earning, taxpaying members of our community and not dependent on public assistance. The culture of dependency is debilitating to the health care needs of young children and to the emotional and physical needs of young people, and that's why the President's --

Q But if you have single-parent households, and when you put in a work requirement and that one parent has to leave that child and can't nurture that child during the waking moments of that child, aren't you aggravating the situation?

MR. MCCURRY: Well, that's one of the reasons why we put such a stress on the day care opportunities that have to be available. Quality day care is part of the nurturing of young people, but also young people understanding --

Q How do you get that?

MR. MCCURRY: By, among other things, approving some of the proposed increases in funding that the President has encouraged, providing some of the type of targeted tax relief that we've suggested, the earned income tax credit has worked in some respects to be helpful along those lines, so the variety of public policies that we have pursued that make it clear that work as an environment in which to raise families is preferable to dependency. It creates a better set of structures within the family that allow young people to go on and learn their responsibilities and their contributions.

Q Why not have coverage of all of the kids who are eligible for Head Start? You've always short-cut the funding on that, and there are thousands of kids who are disadvantaged who should be going to Head Start.

MR. MCCURRY: We should be balancing the budget and figuring out how to devote resources to those kinds of needs.

Q Related to that, the budget walk-through talks are supposed to end today. Could you summarize from the White House perspective where the sides are closer together as a result of two weeks of talks and whether the President is going to meet with leadership next week, or what's the next step?

MR. MCCURRY: No, they are continuing to talk and we'll see what happens next week.

Q You don't want to summarize, or there are no --

MR. MCCURRY: I'm not going to provide substantive readouts on the meetings that have been underway. I think they've been successful in part because I haven't.

Q No, no, I'm not asking that. I'm saying, do you think on children's health or tax cuts --

MR. MCCURRY: I think they are narrowing some of the differences, but in other areas there continue to be differences that need to be bridged.

Q And no plan for a meeting here?

MR. MCCURRY: We'll see how things go.

Q Has the President been in touch with Saudi Arabia on the hundreds of children?

MR. MCCURRY: Yes, the President was very concerned about the death of those who have made pilgrimage to Mecca, and expressed his condolences to King Fahd last night. He also publicly expressed his sympathy for the victims. He understands the enormous emotional importance of the Hajj within the Islamic faith, and that doubles the sense of tragedy that the President feels as a result of the fire that occurred in the tents on the Mina plateau.

Q Mike, will the President be seeing the Chinese Foreign Minister when he's in Washington next week?

MR. MCCURRY: Not that I have heard. Qian Qichen is going to be in Washington.

Q Madeleine Albright said that last night.

MR. MCCURRY: That's a surprise to me. We'll check into that.

Q Mike, two questions. One -- going back to Alexis Herman. You said before that it's still his intention to proceed with that executive order. Is there any doubt at all that he will proceed with that?

MR. MCCURRY: I don't think there is any doubt we will proceed with it. I think it just is impossible to say at this point what the final shape of the order will be.

Q And also, might we be getting some ambassadorial appointments this week?

MR. MCCURRY: I doubt that very much. I think the President's deliberations on that are pretty well advanced, but ambassadorial appointments go through a somewhat different type of screening in terms of some of the background and some of the other

checks that happen. Then there is an additional step that involves contacting the government that we propose to send a representative to. And that process, I think will take some time, so I don't anticipate announcements this week.

Q The Fed while you're at it? Could you check on the Fed?

MR. MCCURRY: I don't have anything -- I don't have any announcements to make on appointments yet.

Q You may have already indicated and I missed it -- do we have a meeting time, date set for Mark Lee?

MR. MCCURRY: I believe it's going to be Friday, and do we have time yet? The Vice President will have a meeting with the prominent Hong Kong Parliamentarian Martin Lee on Friday. I believe it's going to be afternoon, but I don't think that's certain yet. And the President is expected to join that meeting in progress.

Q I apologize if you went over this morning, but who is coming to this meeting tonight?

MR. MCCURRY: Tonight?

Q Yes.

MR. MCCURRY: I think between 35 and 50 members of the House and the Senate, drawn mostly from the key foreign policy and appropriating committees that deal with foreign policy and national security issues, bipartisan, representing both sides. And after we see who actually is able to come, because there were some that were still tentative about whether they'd be able to attend, we'll try to give you a better sense of who is actually there.

Q Do you think that could happen -- once the meeting starts?

MR. MCCURRY: Probably, yes, if we can. We can do that.

Q Mike, is the primary interest going to be CWC or is it the other topics as well?

MR. MCCURRY: As I said this morning, it's really -- I mean, it is, broadly defined, first, an opportunity for the President to talk about his six major priorities in foreign policy for his second term, then a long session about the future of Europe to begin with, a working dinner at which we'll do some selected topics ranging from resources to support our diplomacy to U.N. arrears to the CWC, to Mexico and some of the President's interests in the Latin America trip; then another working session after the dinner that will deal with our engagement with Asia and the Pacific community.

Q Can you get Sandy Berger out here to answer some of there questions? (Laughter.)

MR. MCCURRY: All of you who were at the gaggle can chastise Mr. Neikirk for asking that question. (Laughter.)

Q Did the President personally make any phone calls on Alexis Herman's behalf today?

MR. MCCURRY: I don't know the answer to that. He's been calling senators with respect to the Chemical Weapons Convention, and I don't rule out the possibility the other matter may have come up depending on who he was talking to.

Q Is he going to approach Senator Helms directly, or has he on chemical weapons?

MR. MCCURRY: Well, we've had -- I think -- he has -- the President's talked principally to the Majority Leader on this issue, and as you heard from the earlier briefing, the Majority Leader has structured a very effective way of dealing with the concerns of senators, including Chairman Helms. Obviously, Secretary Albright has had extensive contact with them. And there has been a negotiation, obviously, with respect to these conditions that we've attached to the convention that has involved Chairman Helms. So, I think he's -- they've had good contact. I'm not aware that the two of them have talked directly, but I think we have an effective way of addressing some of the concerns Chairman Helms has raised.

THE PRESS: Thank you.

MR. MCCURRY: Thank you. (Applause.)

END

2:40 P.M. EDT

By Bob Drummond

c.1997 Bloomberg News

Washington, April 11 (Bloomberg) -- The White House is willing to discuss limits on tobacco regulation by the Food and Drug Administration if they're part of an acceptable global settlement of legal claims against the cigarette industry, a top aide to President Bill Clinton told a Washington magazine.

White House deputy counsel Bruce Lindsey said that, to succeed, a settlement plan should include payments to the plaintiffs in class-action lawsuits by smokers, and an industry commitment to the administration's goal of fighting cigarette use by minors, the National Journal reported.

"We're prepared to talk about some sort of limitation on FDA's jurisdiction," Lindsey told the magazine. "If they will join with us, we will in some way legislatively guarantee that our goal is not to drive cigarettes out of business."

Lindsey said he's been in "regular and frequent contact" with some of the 22 state attorneys general who have sued the tobacco industry, seeking reimbursement for money that the Medicaid public health program has spent to treat smoking-related ailments, the magazine reported. Lindsey also said he's been in touch with tobacco industry representatives, lawyers for smokers in class-action injury lawsuits, and anti-smoking activists.

A White House official said Lindsey's remarks represent general views about the type of compromise that would probably be needed to win agreement from all sides, and not a White House bargaining position. Lindsey couldn't be reached for comment.

Philip Morris Cos., the country's biggest cigarette maker, referred calls to an industry public relations spokesman, who declined comment.

Tobacco stocks rose on news of Lindsey's comments. Philip Morris shares traded at 38 3/4, after sinking to 37 5/8 earlier in the day. RJR Nabisco Holdings Corp. shares traded at 30 3/4, up from a morning low of 30.

Minnesota Attorney General Hubert Humphrey III confirmed talks with the administration. "I have had discussions with the White House, and I have full confidence that the president would never sell out America's kids," said Humphrey. In its Medicaid suit, ~~Minnesota has been seeking tougher settlement terms than some other~~ states suing the industry.

Lindsey's remarks come amid reports that tobacco company representatives have been in periodic, secret talks aimed at resolving a range of legal woes, including class-action injury claims by smokers and the 22 Medicaid lawsuits.

The tobacco companies also are in court fighting new Clinton administration regulations on tobacco. Those FDA rules impose restrictions on cigarette advertising and other measures.

Analysts say a single, comprehensive settlement probably would require agreement from the White House, and legislative action by Congress.

Lindsey said the White House, if asked, would try to help bring about a global settlement, the magazine reported. "We stand ready to try to be helpful if all the parties believe that is a useful role for us," he said in the magazine interview.

Any blanket settlement, he said, would probably have to include payments to both the states and the class-action plaintiffs, and that tobacco companies should have to pay for education and advertising campaigns to cut teen smoking.

The White House aide told the magazine that the "best opportunity" for a settlement is during the weeks before the first state Medicaid trial in Mississippi starts on July 7.

P. 719

A WHITE HOUSE ROLE IN A TOBACCO SETTLEMENT?

If asked to step in, the White House will try to facilitate a so-called global settlement of the mounting legal assaults against the tobacco industry. But President Clinton's point man on the issue, deputy counsel Bruce R. Lindsey, warns that with several major anti-tobacco lawsuits due to go to court this summer, the time for reaching such an agreement is running short.

"We stand ready to try to be helpful if all the parties believe that is a useful role for us," Lindsey said in an interview. Right now, the tobacco companies and their adversaries "are getting to know each other still and aren't ready to put their cards on the table," Lindsey said. "If they get close [to a settlement], there may come a time when we can weigh in and help move the discussions along, but we aren't there yet, at least in my judgment."

The White House lawyer and close adviser to President Clinton said he has had "regular and frequent contact" with several of the 22 state attorneys general who have filed lawsuits seeking reimbursement for their states' Medicaid costs for treating smoking-related diseases. Lindsey said he also has been in touch with attorneys repre-

senting plaintiffs in class action suits against tobacco companies, public health activists and representatives of the major tobacco firms, including members of a newly assembled team of Washington lawyers and public relation experts hired by the industry to help seek a comprehensive legal and regulatory settlement. (For more on the industry team, see NJ issue 2/15/97, p. 327.)

Lindsey declined to identify his contacts, but he outlined the general points that the Administration would like to see included in a negotiated agreement to settle the massive lawsuits facing the tobacco industry and to reach an accord on the future regulation of the sale of cigarettes.

He emphasized that the Administration's priority is to reduce smoking among children and speculated that tobacco companies might comply with that objective if the authority of the Food and Drug Administration (FDA) to regulate cigarette sales is restricted.

"We're prepared to talk about some sort of limitation on FDA's jurisdiction," Lindsey said. "If they will join with us, we will in some way legislatively guarantee that our goal is not to drive cigarettes out of business."

He also said that plaintiffs in class action suits against the tobacco companies should share in any financial compensation that the industry agrees to pay in a blanket settlement of its lawsuits.

"I think there would have to be a division between individual claimants and states so that we felt like individual claimants were participating to some reasonable extent in the settlement," Lindsey said. He added that some portion of big tobacco's payout should go for an anti-youth-smoking education and advertising campaign.

But if such a deal is to be cut, it probably will have to be done soon. Mississippi's landmark suit to recoup hundreds of millions dollars spent in state Medicaid funds for treating smoking-related illnesses is scheduled to begin on July 7. A similar case in Florida will go to court in August.

"There is some sense that the best opportunity for settlement is between now and June," Lindsey said. After that, the focus of lawyers on both sides will shift to litigation. As Lindsey noted, "It's hard, after being in a courtroom all day, to that night continue to have friendly discussions about a settlement."

—James A. Barnes

NATIONAL JOURNAL 4 12 97 719

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P.02/02

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TELEPHONE: (612) 296-6196**Statement of
Minnesota Attorney General Hubert H. Humphrey III****Media Reports of White House Talks
With The Tobacco Industry About Global Tobacco Lawsuit Terminations
April 11, 1997**

"I have had discussions with the White House, and I have full confidence that the President would never sell out America's kids with anything that didn't ban marketing to kids, require that tobacco companies pay damages commensurate with the harm done, and require them to disclose the truth. The President that has stood tall on the FDA regulations would never cut a backroom deal that gives the tobacco industry immunity from the laws that all other businesses must obey at the expense of America's kids."

--30--

BC-CLINTON-TOBACCO-BLOOM

WHITE HOUSE OPEN TO COMPROMISE ON FDA RULES IN TOBACCO PACT

(For use by New York Times News Service clients)

By Bob Drummond

c.1997 Bloomberg News

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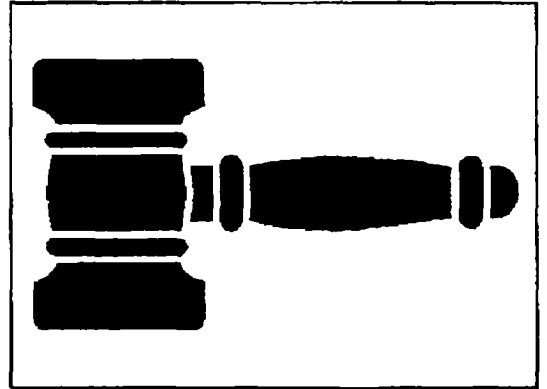
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DATE: April 17, 1997

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FROM: ANDREW D. HYMAN
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COMMENTS: As discussed, attached is the q and a we gave the Secretary in preparation for her testimony before the Senate Lab Human Resources Com. Also, could you please send me the POTUS' kick butts speech. Thanks.

No. of Pages (including cover): 2

Tobacco Negotiations

Question

Is the Administration participating in the negotiations with the tobacco companies? What are the Administration's views on this matter?

Answer

As reported, the White House has been in contact with the parties involved in the negotiations, but White House officials have not participated.

As you know, the President has made very clear since he announced FDA's proposed rules in August 1995 that he would be supportive of a resolution that tracks the FDA rule and has effective oversight and enforcement and that achieves the public health outcome we've been seeking, namely a decline in the use of tobacco products by young people.

I can't speak to the current state of the negotiations beyond what's been reported.

FOLLOW UP: If asked about specific provisions (e.g., would the Administration support a policy that would immunize the tobacco industry from liability?) answer as follows:

We have never proposed such a policy and, therefore, this has never been considered. As you know, the Administration's focus has been on the FDA regulations: reducing our kids' access to tobacco and its appeal to kids caused by advertising, and, ultimately, a decline in youth tobacco use.

**STATE OF MINNESOTA
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Hubert H. Humphrey III
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COMMENTS: We're very skeptical, but we thought it would be better to be in the room rather than completely excluded. See statement; let's talk.

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**Statement of
Attorney General Hubert H. Humphrey III**

**Inquiries About Media Reports of Tobacco Settlement Negotiations
April 16, 1997**

"This is a desperate industry that is on the ropes in court, and it hopes throwing smokers' money at the problem will make it go away. I'm particularly concerned about any proposal that would leave loopholes for the industry to continue to market to kids and would force smokers to pay the entire cost of bailing out this industry. While I am willing to listen, I have insisted from the beginning that any resolution of the tobacco lawsuit require the industry to change the way it does business, pay for the tremendous harm its illegal conduct has caused, and disclose the truth. Everything the tobacco industry has discussed to date falls short of the mark."

--30--

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To Rahm 4/18

Questions and Answers on Tobacco
April 18, 1997

Q. Are you pushing for a tobacco settlement?

A. My staff are staying informed of the talks. From the beginning, we have said we would be willing to consider legislation if it was brought to us and it measured up to the final FDA rule. Any legislation would have to be as strong, comprehensive, and effective as what we are doing. The parties in these negotiations know our bottom line is protecting kids and reducing smoking among youth. And we are focused right now on defending our rule in court and moving forward to implement it.

Q. Should the tobacco companies get immunity as part of a global settlement?

A. I understand that the parties involved in these negotiations have talked about immunity. Any agreement will have to take into account the needs of all who are affected, and it's too early to tell what the terms might be. Let me tell you my focus: protecting children and the public health. That is what we are doing with the FDA rule to restrict access and limit advertising and appeal. We have 3,000 children and young people becoming regular smokers each day, and nearly 1,000 of them will have their lives cut short. We simply have to reduce the number of children who start smoking.

Q. How involved are your staff in these negotiations?

We get regular and frequent updates about the status of the discussions. We have consistently impressed upon the parties that any agreement must be in the public interest and must lead to a reduction in the number of our children who start smoking.

04/23/97 6:16 PM

Tobacco Questions and Answers

Q: How does the judge's decision affect the Administration's interest in a settlement?

A: It's absolutely irrelevant. I knew that this fight would be tough when I started. I'm not taking action because it's easy, but because our children's lives are at stake. Every day, 3,000 children start smoking, and 1,000 of them will die sooner because of it. We have to do something to stop it.

As I have said all along, this Administration is only interested in something that is as strong and comprehensive as the FDA rule, has effective oversight and enforcement, and achieves the public health outcome we've been seeking, namely a decline in the use of tobacco products by young people.

Q: Isn't the Administration deeply involved in settlement talks?

A: Like other parties interested in this issue, we have been monitoring the talks. But, as you know, the Administration's focus has been on the FDA regulations: reducing our kids' access to tobacco and its appeal to kids caused by advertising, and, ultimately, a decline in youth tobacco use.

Follow-up

Q: But I read in the paper that Bruce Lindsey is intimately involved in the settlement talks.

A: This Administration is not a participant in the talks. Therefore, we can't say right now if the parties involved will reach a conclusion or if it would be acceptable to us.

What I can do is restate what I said earlier: I am only interested in something that is as strong and comprehensive as the FDA rule, has effective oversight and enforcement, and achieves the public health outcome we've been seeking, namely a decline in the use of tobacco products by young people.