

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

April 25, 1997

STATEMENT BY THE PRESIDENT

This is a historic and landmark day for the nation's health and children. With this ruling, we can regulate tobacco products and protect our children from a lifetime of addiction and the prospect of having their lives cut short by the diseases that come with that addiction. This is a monumental first step in what we always knew would be a long, tough road, and we are ready to keep pushing on.

This is a fight for the health and lives of our children. Each day, 3,000 children and young people become regular smokers, and 1,000 of them will have their lives cut short as a result of smoking. This is a fight we cannot afford to lose. It is a fight we cannot afford to stop waging. The Vice President and I are committed to protecting our children.

Our common sense approach is aimed at limiting the appeal of these products and making it harder for children to buy them. Retailers have the responsibility to make certain that they are not selling tobacco products to anyone under 18. Asking them for a photo ID is just plain common sense. Keeping tobacco billboards away from schools and playground is just plain common sense.

Senior attorneys from the Department of Justice, the Department of Health and Human Services and the Food and Drug Administration have carefully reviewed the District Court's opinion. On the basis of that review, the Solicitor General has informed me that an appeal would be appropriate for that part of the rule not upheld and I have directed that an appeal be filed.

We will continue to work to protect our children and our children's children. We will not stop until we succeed. Where our children's health and safety are concerned we cannot, and we will not, rest.



White House Press Release

Briefing By Domestic Policy Adviser Bruce Reed And Secretary Of Health And Human Services Donna Shalala

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For Immediate Release

June 27, 1997

Briefing By
Domestic Policy Adviser Bruce Reed And
Secretary Of Health And Human Services Donna Shalala

1:15 P.M. Edt

Mr. Reed: Good afternoon, I'm Bruce Reed, Assistant to the President for Domestic Policy, and I'm going to talk just for a minute about this process. I think you have a piece of paper in front of you that basically describes everything I'm about to say.

Q We don't.

Mr. Reed: You don't? I want to make sure you get that piece of paper, so you don't actually have to listen to what we say. It's coming, I promise.

We'll go over some of the high points.

Okay, basically the President has asked Secretary Shalala and me to lead an interagency review of the proposed **tobacco settlement**. And this is going to be a thorough public health review that will involve a number of agencies and departments here within the White House. I think there are about 10 agencies involved and several White House offices. We have a great deal of expertise --

Q Pardon me, sir, but is this the beginning of a new health act -- national health act, or what?

Mr. Reed: No, this is --

Q Is this the beginning of a new national health

program?

Mr. Reed: No, we're simply going to spend the next month reviewing the proposed **tobacco settlement** that was reached between the Attorneys General and the **tobacco** industry last week.

There will be about -- a little over 50 senior people from around the government involved and the review is going to focus on four basic areas of the proposal. First, there will be a panel looking at regulatory issues. This is an area that the President just talked about at the bill-signing event. It will look principally at the FDA's authority to regulate nicotine as well as access, advertising, and labeling. It will also look at another element of the **settlement**, which is a proposal to limit environmental **tobacco** smoke in the workplace. And the regulatory team is convened by Elena Kagan, who is my deputy here at the White House. It involves people from HHS, Justice Department, FDA, and consists in large part of the lawyers and public health experts who put together the FDA rule in the first place which the President proposed in August of last year.

The second team will focus on the program and budget issues, the proposed uses of the **settlement** funds, including programs to reduce smoking and to provide children's health insurance. This team is made up of our top health policy experts. The meetings will be convened by Chris Jennings from here at the White House, who many of you know. It also includes Nancy-Ann Min from OMB, Bruce Vladeck from HHS, and several other top people from HHS.

A third group will be the legal team focusing on legal issues. This one also will be convened by Elena Kagan, and it will

focus on the provisions on liability and damages and document disclosure, as well as other broader constitutional and legal questions about the proposal. And many members of this team are the same lawyers who helped build the legal case that secured the historic court victory in Greensboro on the FDA authority.

And then a fourth team will look at industry performance and accountability, primarily the economic impact of the proposal on industry performance and federal revenues and consumers and farmers and so on. This is the group that will look at the proposed incentives and penalties for reducing smoking that are part of this **settlement**. It will look at impacts on the price of **tobacco**, on consumption. And the Council of Economic Advisers will play a leading role in this group.

All of these groups have met in the past week. We're going to continue meeting over the next several weeks. And at the same time, we're going to have a comprehensive public outreach effort, particularly to public health experts and to the public health community. We will be working closely with a number of our allies in the effort to reduce smoking, including Doctors Koop and Kessler, and the major public health advocacy groups. And at the same time, we'll be spending a lot of time reaching out to members of Congress who obviously have a great interest in this proposal.

Q What's the goal of all of this?

Mr. Reed: Well, let me stop there and give Donna a chance to make a brief statement.

Secretary Shalala: Let me just say a couple of things, and then I'll answer Helen's question. We wouldn't be here discussing this if the President hadn't already exerted bold leadership in this area of trying to reduce the number of children who start smoking in the first place and putting a regulatory framework in place over the issue of **tobacco**.

The review process we've just launched is rigorous and it's thorough. It requires interdisciplinary depth and very sophisticated analysis. We have not been handed a piece of legislation. We've been handed a proposal which has ideas, some of which are in great detail and others which are sort of the outlines.

What we need to do is to ask about that proposal, how it sits within existing law. Does it extend the regulatory framework and the power of the federal government? What role would the federal government play in relationship to cigarettes, for example? We need to ask, how is it balanced? How would it be implemented? Is it enforceable? How does it sit, again, within the existing framework of a set of laws that we now -- and regulations that we now operate under? What is the impact on the economy? There has been a discussion about how much money it is; but who pays for this proposal? Is it the stockholders? Is it individuals because taxes will go up on cigarettes? Is it the broader taxpayers because some might be deductible under current laws?

And finally, does it meet our public health objectives? We have been very clear about our public health objectives. Cigarettes kill people. In particular, we know that if a youngster doesn't start smoking before they're 18, they're less likely to begin smoking. Eighty percent of the people who smoke in this country started as teenagers. Our goal has been to reduce the number of teenagers. So the public health implications are very broad and central to what the President asked us to do.

Our goal is to find out whether this proposal will improve the public health and at what cost. And the cost implications are not just financial. They're implications for the way in which the government does its business and the way it organizes its business in relationship to an industry in this country.

Q Do you have any preliminary view?

Secretary Shalala: No. And it's interesting. We don't because it's a complex proposal, and I think that even I, who normally has a view, an initial view from reading something, I do not. In some ways, the first people that have read this have read it for the five or six things that they have deep concerns about. We're reading it differently. We're going to take a comb and comb right through it.

For instance, the Treasury people will want to look at every pot of money and ask a series of questions. Our regulatory people want to look at the regulatory framework. We want to look at whether it's enforceable. We don't -- this proposal doesn't have an enforcement mechanism in it. We have to think about, how would you enforce this on a private company.

That's why our approach, we believe, serves the public .

interest and makes certain that the President has the answer to every question anyone might possibly ask. It took us a year of very detailed work, once we decided to go ahead, to develop the FDA regulations that we currently have, and took a multi-disciplinary team. In my own department, every part of the development will be involved: from the National Institutes of Health, to the CDC, to the General Counsel's Office, to the substance abuse experts, to the FDA -- the same team that sat together for over a year -- more than 100 people we're involved -- to develop those regulations. We sat last night for five hours with a huge interdisciplinary team, just going through line by line to figure out how we're going to structure our work with these various committees. It's hard work.

Q Is 30 days enough?

Secretary Shalala: You know, we don't know. Every President I know wants everything done in 30 days -- (laughter) --and we take our President seriously, with great passion. We will tell him where we are in 30 days. We'll try to meet any deadline that he sets for us, but this is hard work and not easy to do from a proposal, as opposed to a piece of legislation, that interrelates with other laws.

Q Do you feel that a lot of the areas that you describe as being only a sketch outline as opposed to detail were deliberately left in sketch outline --

Secretary Shalala: No.

Q -- because they hadn't reached agreement on those areas?

Secretary Shalala: No, not necessarily. I haven't come to any conclusion about motivation. It just could have been who was at the table at the time and what information they had, so I don't have any view on it.

Q One of the concerns that the President has expressed repeatedly now is this question of FDA's ability to regulate nicotine and cigarettes. Can you explain for us why that concern is there, what you have seen in the agreement thus far that causes you to have some concerns, and what the goal is, why it's so important that the FDA have that authority?

Secretary Shalala: Well, I think that we go back to our original proposal, and that is, we exerted -- we had a major public health problem in this country that we basically have been attacking with a variety of different campaigns and without much leverage on the industry, that we believed was increasingly creating a problem with young people, without ascribing a direct connection between that. We had larger and larger numbers of young people starting to smoke. Three thousand a day. A very scary proposition for the public health.

What authority did the federal government have to do something about that? It turned out it was the regulatory authority of the FDA as a way in which we began to move on a major public health problem. It wasn't the CDC; it happened to be the FDA. And therefore that has been the most powerful instrument that we have had to attack a public health issue.

In this proposal, to be fair to them, they seem to change the way in which the FDA does its business. Some people have said it's a negative, but when we looked at it there is a positive part to. It looks like they expand some authority. We need to look at the balance of that and whether it changes the power equation and the authority equation. And I think that's about as far as I would go without looking at the analysis my folks are doing.

Q And then how does the process work from there? Do you go back to the negotiators with your concerns, or do you go to the Hill? Or what --

Secretary Shalala: Oh, I think that this has been sent to the President --

Mr. Reed: And to the world.

Secretary Shalala: -- and to the world and to the Congress. And everyone is going to look at it. The important thing is that these were in fact private negotiations that now are in the public. Some of them are requests to change federal law and to change the way we do business. That requires that the Congress pass laws, the President express an opinion, decide whether he's prepared to change some of those laws.

Q Are any of these groups going to take a look at the fees that the plaintiff lawyers would get --

Secretary Shalala: Once you put this into the public arena, everybody is going to look at everything -- on what's appropriate and who's paying them.

Q Because it wasn't mentioned as part of these working groups.

Mr. Reed: Well, there is nothing in the **settlement** about fees --

Secretary Shalala: I think it was done as a separate arrangement. But that doesn't mean that the groups that are coming in to advise us aren't going to make some comment on that. It's now in the public arena, and there will be lots of commentary.

Q Does your department take on this mission with relish, or with a heavy heart?

Q This proposal is barely making it through Congress. Yesterday's hearing was very contentious between --

Secretary Shalala: Why don't you go ahead, and then I'll take the next one. Go ahead.

Q Are you enthusiastic about this or is this a heavy burden that you have to slog through?

Secretary Shalala: Let me tell you what I told my colleagues the night before last as we sat down for the five-hour kind of line-by-line review. I said that when the President took the step on FDA regulations, I told them that this was a chance of a lifetime, that once in your career you get to take a step in an area

of public health that is so dramatic and so significant in terms of its implications for the public health. And I said to them, I never thought we'd get another kick at the can. And if there was any possibility that we could take another giant step for the public health, we should not shirk from at least taking a look to see if there was a possibility. We go into this looking for another opportunity to take a strong step for public health, but with the same kind of hard-nosed rigor that we brought the first time around, when everybody said to us: Not a chance, the President is going into an election; there is not a chance that anyone is going to take this kind of step.

Q How do you get past the fact that there are all kinds of parliamentary tactics being invoked yesterday during the initial hearings to stall it, to kill it? How are you going to get any sense of cooperation out of the Congress when they themselves can't even -- in this process when they among themselves can't even agree how to do it?

Secretary Shalala: Well, I'd say, each to its own style in terms of a review. We're going to take a look at it analytically, tough-minded, without revealing our hand early on. The Congress is going to go through a public process, public reviews. We're going to obviously bring in people to give us their opinion. And at the end of the day, I would expect the Congress to do the same thing the President is going to do, and that is, give it the tough-minded review that the work that was done deserves.

Q Does the Supreme Court asbestos decision mean that you are looking more closely at having to do something in Congress, that you really need to get a proposal through Congress you can live with as opposed to going through litigation in the courts?

Secretary Shalala: Oh, I think -- no. We will not do anything in our review that will undermine what we believe is the very strong case that we have on the Fda regulations. So anything that we say or do as part of this review will not undermine our determination to go forward. We believe that what we have done is legal, that the Fda has the authority, that we have not undermined the First Amendment. We intend to go forward with that case.

Q Secretary Shalala, from all the voices we've heard, this is definitely a very contentious and controversial issue. I don't think King Solomon could probably solve it. But which way can you guarantee that the position the executive -- the White House comes out won't be seen as a political decision, that you'll have enough backing that people will think your study is a valid one?

Secretary Shalala: I think the President has a record that we're building on in children's health. He has made fundamental tough decisions -- one of the toughest decisions any President has ever made to go forward on the issue of **tobacco** and children by putting the Fda regulations. We have credibility on this issue because we've stepped forward, we did it, we did it in the middle of an election year, when everybody said, can you believe that anyone would make this kind of decision. And the President believes deeply that the fundamental question we ought to ask is, will the public health be improved if we do something related to what the proposal is.

Q Is there anyone who is cautioning within the

administration or voices from outside advising you, saying we ought not tinker with this too much because it was a carefully constructed deal and the **tobacco** companies might just walk away and that's not what we want? Or is the view more, hey, we're going to take a long hard look at this, and they can do whatever they want after the fact?

Secretary Shalala: Every one. Everyone is saying everything. All of the above. I'm saying, let's be cautious and let's be rigorous. They're saying, well, if you tinker with it too much -- but that's what people always say when they bring you a piece of legislation: We've got this very carefully constructed coalition. It's not new for us. People bring us proposals all the time -- usually not as complex as this one -- and we say, we're going to look at it through the clearest eyes that we possibly can because we have a responsibility to the public and we're going to do it in public.

Q Well, let me ask you, how seriously do you take their threat to, if you change it too much, we're going to take our stuff and go home?

Secretary Shalala: I just -- I think that we shouldn't comment on that, because what we want to do is to do what the President has said. We want to make a very rigorous -- take a very rigorous look at this.

Q Well, are you tinkering or just judging it at this stage?

Secretary Shalala: I think we're taking a very rigorous look at this proposal and you'll be the judge when the President decides what he wants to do.

Q Did the negotiators know you were going to do that?

Secretary Shalala: Yes, the President announced it --

Q I mean, did they get any kind of word?

Secretary Shalala: The President announced it before the negotiations were finished. The President announced that it would be put through a rigorous review by this administration.

Q But to come back to my question, do you see at the end of this process of 30 or whatever number of days it is that you will have just said, this works for us or this doesn't or this part -- or will you be saying, this doesn't work for us but this would if you did something to it?

Secretary Shalala: I don't know the answer to that question because we haven't finished our review. That's for a later point.

Q Is there any polling taking place to determine the public attitude on this **settlement**?

Secretary Shalala: I don't know of any polling. Do you know of any polling? I'm sure that -- my guess is, because the issue is out there, that there may be some public polling by the big polling agencies, but I'm not doing any polling. We know what the polls are and the public's attitude about children and **tobacco**.

Q One follow-up on that. What sort of role would there be for Mr. Moore and some of the **tobacco** -- and others like **tobacco** representatives in this review process?

Secretary Shalala: Well, you know, we may have some questions for them, I would think, about what did you mean by this. There is some language used in this that -- for instance, in the first review, even some of my lawyers weren't quite sure what a "national protocol" meant. I mean, there was just some language -- I'm sure we'll be asking them questions. I'm sure they'll want to talk to us and tell us what they were trying to achieve. I'm sure they'll want to pitch us on how delicate it is. And the fact is that we're open, as we have always been on any proposal that comes to us.

Q How seriously are you taking Kessler and Koop's criticism of the FDA restrictions? Are they going to be advising your group?

Secretary Shalala: The President has indicated that the Koop-Kessler committee will be listened to carefully. David Kessler has long been an associate. He and Chick Koop are the leading spokespeople on these issues and have been leaders in changing the role of the federal government. Their views will be taken very seriously.

Q They say it's unacceptable.

Secretary Shalala: And we've already talked to -- they've said that parts of this agreement are unacceptable, including the FDA piece. But you heard the President, he wants to make sure there is an FDA regulatory framework that's firm and as clear as what we currently believe we have.

Q Do you think it's within your mandate when you're doing this review -- it must have already been discussed -- that you can do the review and make recommendations about regulation, et cetera? And when you're making this study, are you going to be looking at regulation vis-a-vis enforceability? I mean, you've had experience with this with the drug war.

Secretary Shalala: I think that we're pragmatic about this. We need to know whether this works, what does it cost, what's the balance -- do we have to give anything up, what are we gaining. We're looking at it as we would any complex piece of legislation, in terms of its impact. How does it inter-relate? What are the new roles and responsibilities? What are the new regulatory frameworks? This proposal has a huge framework over retail business. It has implications for advertising, for the agriculture people, for everybody that sells a cigarette in the United States. It has a new framework for that.

That's why you can't just go through six things like this. You really have to look at it with great care.

Q How in this process do you address the overall question of whether it's tough enough on the **tobacco** industry? That's come up a lot in Congress.

Secretary Shalala: Bruce and I will be working on this. I think that the first way I look at this is, does it substantially improve the public health. And then my second question is, at what

cost and at what price.

But we're really single-minded in this administration. We want to substantially improve the public health. We want to reduce the number of kids that start smoking in the first place, substantially.

Q Will you be looking at --

Secretary Shalala: And we're going to look at this as it adds to what we've already done. We've already set our goals. We've already put our regs in place. So that's the way --

Q But you don't have some level in mind which would be punishment enough for the **tobacco** industry --

Secretary Shalala: No, because you have to --

Q -- some good can come of it.

Secretary Shalala: No, no. And I don't know enough to answer those questions yet. You're asking for more detail before we've really gotten into it. In fact, because I don't know much more than that, I think we've about run --

Mr. Reed: Thanks.

The Press: Thank you.

Secretary Shalala: Thank you very much. Thank you.

End

1:36 P.M. Edt



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INTRINSIC VALUE/BY ROGER LOWENSTEIN

Even With Settlement, Big Tobacco Can't Lose

The economics of tobacco are so unbelievable that the industry was able to grossly overpay to buy itself peace, underwrite real advances for public health and emerge with its killer instinct for profit satisfied. In an imperfect world, the recent settlement is a win for both sides.

Before Big Tobacco folded, its expected liability was far less than the \$368 billion-plus it just agreed to. Juries have been seeing contemporary smokers for what they are—people who bought a legal product and knowingly took health risks upon themselves (even while the industry did its best to dissemble). If left to individual courts, including appellate courts, the industry might never have paid a dime.

"We got more than I can ever get in litigation," Christine Gregoire, Washington's attorney general, told me. And the dollars are huge. The present value of Philip Morris's obligation is estimated at \$50 billion. That's about half what the company is worth.

So is Big Tobacco a loser? Far from it.

The industry that brought you the Marlboro man and the morning cough earns, in the U.S., \$7.7 billion a year pre-tax. To fund annual payments under the settlement, cigarette prices will rise, within a few years by about 80 cents a pack. So smokers are losers (unless they stop smoking). Nobody knows how many will quit, but it won't be enough to offset the rise in prices. Rough guess: prices up 40%, smoking down 15%. That works out to \$1.2 billion a year in lost profits. Throw in interest charges on the big payment that will be due upfront, and manufacturers are out some \$2 billion in yearly profits.

However, with tobacco barred from billboards and sporting events and restricted elsewhere, the industry's \$6 billion marketing budget will plummet—as it did when tobacco was kicked off the airwaves. Suppose it drops 30%,

the estimate of Sanford C. Bernstein & Co.'s Gary Black. Presto, most of its lost profits were just recouped.

What kind of business can raise prices by nearly half, excise a third of its marketing and not miss a beat? Must have a heck of a product (read: an addictive one). Must have low costs, too. Cigarette machines churn out 12,000 butts a minute. You go to a factory and see lots of machines, not many people. But that's not all. Any other business with such fundamentals would attract a ton of competitors. But imagine trying to persuade the board of,

annual tab will rise with inflation; however, it will be reduced in line with sales. All in, the amount PM pays will grow very slowly. However, its \$7 billion cash flow, which is increasingly fueled by selling cigarettes overseas, is growing at double-digit rates. In time, that cash flow will not merely equal, it will greatly surpass and eventually dwarf the settlement dollars.

The settlement won't (as the industry hopes) remove the tar from its image, but it will get something that profits alone can't buy: a higher price-earnings multiple on Wall Street.

Health-minded critics have argued that if tobacco wins, the public must lose. But much as it may hurt to say it, the public interest isn't reducing tobacco profit; it's reducing smoking, particularly among *bambinos*. According to Bill Novelli, president of Campaign for Tobacco-Free Kids, the single best way to cut into smoking is to make it more expensive. The settlement, pending Congress's approval, will do that.

It also requires states to police the stores. I was dubious whether that would do much until I saw the figures: Sixty percent of the under-18 inhalation set *usually* buy

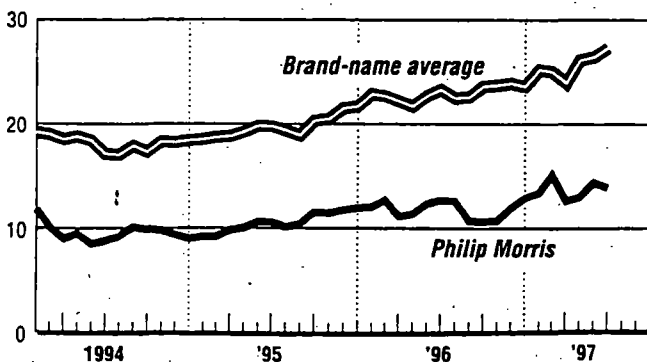
their own. By comparison, it's pretty tough for a 14-year-old to order a dry martini. Cigarette vendors, like bartenders, now will be encouraged to fear loss-of-license and jail time.

Expect less from programs to finance would-be quitters (you got to want to for yourself) and to publicize the non-news that smoking kills. But if sports can sell a \$150 rubber shoe, it can sell a pack of smokes. Ending the tie-ins is a good idea.

One more win is that the settlement pushes Congress—the proper venue for resolving long-running national problems—to act. Before it throws tobacco back to 1,000 courts, where results are unlikely, it ought to think about that.

Desperately Seeking a Multiple

Price-earnings multiples of seven brand-name consumer stocks and Philip Morris



Source: Sanford C. Bernstein

say, Johnson & Johnson that it could raise its return by diversifying into tobacco. Fear of liability and social opprobrium act as a protective shield against new entrants.

Normally, when there are limited suppliers for a product perceived as necessary, such as electric power, the government holds down prices. But that would stimulate demand. So tobacco is unregulated in price, addictive and insulated from new competition. In business, it doesn't get any better.

Philip Morris, the biggest company, has free cash flow of close to \$7 billion—about equal to its annual settlement bill from 2002 to eternity. (On an aftertax basis, the bill is smaller.) That

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This is a historic and landmark day for the nation's health and children. With this ruling, we can regulate tobacco products and protect our children from a lifetime of addiction and the prospect of having their lives cut short by the diseases that come with that addiction. This is a monumental first step in what we always knew would be a long, tough road, and we are ready to keep pushing on.

This is a fight for the health and lives of our children. Each day, 3,000 children and young people become regular smokers, and 1,000 of them will have their lives cut short as a result of smoking. This is a fight we cannot afford to lose. It is a fight we cannot afford to stop waging. The Vice President and I are committed to protecting our children.

Our common sense approach is aimed at limiting the appeal of these products and making it harder for children to buy them. Retailers have the responsibility to make certain that they are not selling tobacco products to anyone under 18. Asking them for a photo ID is just plain common sense. Keeping tobacco billboards away from schools and playground is just plain common sense.

Senior attorneys from the Department of Justice, the Department of Health and Human Services and the Food and Drug Administration have carefully reviewed the District Court's opinion. On the basis of that review, the Solicitor General has informed me that an appeal would be appropriate for that part of the rule not upheld and I have directed that an appeal be filed.

We will continue to work to protect our children and our children's children. We will not stop until we succeed. Where our children's health and safety are concerned we cannot, and we will not, rest.

THE WHITE HOUSE

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For Immediate Release

February 28, 1997

REMARKS BY THE PRESIDENT
DURING TOBACCO REGULATIONS ANNOUNCEMENT

The Roosevelt Room

10:47 A.M. EST

THE PRESIDENT: Thank you, Anna Santiago, for the power of your example and for that very fine introduction. I want to thank all the young people who are here, the advocates who are here, the members of Congress who are here who have championed this battle for so long. Especially, I thank the Vice President, Secretary Shalala for what they have done. And, of course, I want to have a special word of thanks to David Kessler. I think he's had a bigger impact on the lives and health and the future of the American people than any person who ever held the job of FDA Commissioner before him, and I thank him very much.

Because of David Kessler, we have been able to undertake this initiative to protect our young people from tobacco. Because of your actions over the last six years, more AIDS and cancer patients are getting better drugs faster, as well; more people are getting better information on their food labels; every American can go to bed knowing that the food on their tables, the medicines in their cabinets are safe. You've left us a great legacy. All Americans should be grateful to you and we'll do our best to replace you. The Vice President and I would like to be invited to Yale from time to time to give a speech. (Laughter.)

Let me say that the reason we're all here today is to ensure that Anna and all the young people behind me, and the young people all across America for whom they stand today, have a chance to live out their dreams. They can only do that if they choose positive and healthy lifestyles and if we give them the support they need to make those choices. That's why the number one goal of the drug strategy we announced earlier this week is to motivate our children to reject illegal drugs.

Most of us have an instinctive urge to protect our young people from danger. We teach them to look both ways before crossing the street. We tell them not to touch a hot stove. We make sure they bundle up before going out in the cold. We should wrap that same protective arm around them when it comes to resisting smoking and the advertising and marketing of cigarettes.

More Americans die every year from smoking-related diseases than from AIDS, car accidents, murders, suicides and fires combined. Today it's estimated that 4.5 million of our children and adolescents smoke. Another 1 million use smokeless tobacco. The problem is getting worse. Smoking rates among 8th graders have risen

50 percent in the last six years. One out of every three young people who picks up this deadly habit will have their lives shortened from the terrible diseases caused by smoking. As parents, as leaders, as citizens, all of us have a moral obligation to do what we can to protect them. That's why last August the FDA took bold action to protect our children from the dangers of tobacco.

We knew it would be a tough battle, but the health and well-being of our children are worth that. We set a goal of reducing

tobacco use by children and adolescents by 50 percent over seven years. To do that, we initiated the nation's first ever comprehensive effort to restrict access and limit the appeal of tobacco to children.

Today is the first day that some of these rules take effect -- quite appropriately on David Kessler's last day on the federal payroll. First, we're making the law of the land what is already the law in every state: no sale of tobacco products to anyone under age 18. Second, we're now requiring age verification by photo ID for anyone under the age of 27 for the purchase of tobacco products.

From now on, in every store in America, our children will be told: No ID, no sale. By requiring ID checks for people under 27, store clerks and managers will no longer have to guess the age of those seeking to buy cigarettes.

Studies show that minors succeed in buying cigarettes over the counter nearly 70 percent of the time. That simply must stop. With these new requirements, we'll help to keep cigarettes out of reach for our young people while giving store clerks and managers a tool they need to make sure they're not inadvertently violating the law by selling to minors.

Before we came out here, Secretary Shalala asked Anna if all of her efforts and all of these efforts were having any impact in reducing the tendency of her peers to smoke. And she said, yeah, a lot of them are quitting because it's too much hassle now. (Laughter.) That's the idea. (Laughter.) That's good.

Over the last three weeks, we've conducted massive education campaigns to let retailers know how they can comply with these new rules. We've even prepared this new guide, A Retailer's Guide to the New Federal Regulations -- appealing advertising, multi-color. (Laughter.) This has been made available to 500,000 retailers around the country. I want every retailer and every community across our nation to join with us in this important effort.

Parents must continue to be the first line of defense, but all the rest of us have to make these rules work, and the retailers can play a major role. I honestly believe the overwhelming majority of them want to do so, and most of them are parents too. They have children too. We have a common interest in doing this job together. And we hope this guide will help them to achieve that goal.

Cigarettes are still legal for adults. If they want to smoke, they can do so. But we have now clear as a nation drawn a line where our children are concerned. We have done it together. We are committed together. And now we must make it real together.

Thank you very much. (Applause.)

END

10:54 A.M. EST

STATEMENT OF THE PRESIDENT
ON RJR'S DECISION TO DROP JOE CAMEL
July 10, 1997

welcome

I ~~applaud~~ R.J. Reynolds' decision today to stop using Joe Camel in its advertisements. This step is long overdue. As I said last year when we announced the FDA rule to protect youth from tobacco, we must put tobacco ads like Joe Camel out of our children's reach forever. I am glad RJR has finally taken this step today, and I hope other companies will follow suit. In the months ahead, I will keep fighting until the days of marketing tobacco to our children are over.

*. . . We have seen pain and tragic time
again how this type of advertising turns
impressionable ~~the~~ children to a deadly habit that
we are able to quit. . .*



Elizabeth Drye

07/20/97 07:12:03 PM



Record Type: Record

To: Elena Kagan/OPD/EOP
cc: Laura Emmett/WHO/EOP
Subject: Tobacco form letter

Dorskind's office is pushing for us to get them an updated draft as soon as possible. Here's my redraft of the letter they sent out prior to the court's ruling on FDA's rule. I thought you might



want to review. Thanks. letter.tob

Thank you for your message regarding tobacco products.

Tobacco use is a common but deadly habit. Each year, more than 400,000 Americans die prematurely from tobacco-related illness. Most started smoking as children.

We must work hard to reduce the number of children who become addicted to tobacco products and have their lives cut short as a result. Even though it is illegal in every state for youth to smoke, some 3,000 boys and girls take up smoking every day. Among smokers ages 12 to 17, 70 percent already regret their decision to smoke and two-thirds say they want to quit.

That is why last August I announced a tough new FDA regulation limiting minors' access to tobacco and curbing the promotion and advertising that enhance the appeal of tobacco products to young people. In February, I was proud to announce that the first parts of the regulation went into effect. From now on, no one under age 18 may buy tobacco products, and retailers must check photo IDs for anyone under the age of 27 who wishes to purchase tobacco products.

The tobacco industry has opposed the FDA rule in the courts. In an historic step forward for public health, a Federal District Court held in April that the FDA can regulate nicotine-containing tobacco products, and that the provisions I announced in February will remain in effect.

I was disappointed, however, that the court overturned provisions in the FDA rule designed to prevent tobacco companies from marketing their products to children. These provisions would, among other things, ban outdoor billboards within 1,000 feet of schools or playgrounds and eliminate the use of images and colors that appeal to children in most advertising. Government lawyers have appealed this part of the court's ruling. Overall, however, the court's decision was a landmark and historic one for the nation's public health and for our children.

The recent settlement agreement proposed by the state attorneys general, the tobacco industry, and others provides another potential opportunity to take a major step forward for the public health. Congress would have to approve the agreement before it goes into effect. I have asked my domestic policy advisor, Bruce Reed, and the Secretary of Health and Human Services, Donna Shalala, to carefully review the agreement with Administration staff over the next several weeks, to listen to public health experts, and to help me ensure that any agreement that goes forward to Congress is in the best interest of the public health, especially the health of our children.

Thank you for your comments...

A handwritten signature in black ink, appearing to read "GRANT", with a horizontal line extending from the end of the name.

Date: 07/09/97 Time: 10:50
CMADRID, Spain: to comment

Clinton hoped to use the news conference to promote NATO expansion to a skeptical Congress and American public, but domestic issues kept getting in the way.

With senators probing his 1996 fund-raising practices in Washington hearings, Clinton told reporters he had no comment on Republican assertions that China plotted to influence American elections.

"I don't know if it's true or not," he said.

On the proposed settlement between tobacco companies and state attorneys general, Clinton said he has drawn just one conclusion so far: That the proposed restriction of FDA power to limit the nicotine content of cigarettes or to ban nicotine outright is "a totally unreasonable restriction."

In Washington, aides huddled with health advocates to fashion Clinton's response to the settlement.

Clinton also confirmed that he's willing to consider raising premiums on the most affluent Medicare recipients, one of the highest-profile proposals in the bipartisan drive to balance the budget.

"We have to have help from society as a whole," Clinton said.

"We will have to look at means testing."

MORE

APNP-07-09-97 1107EDT



White House Press Release

Remarks By The President In Signing The Drug Free Communities Bill

The White House

Office of the Press Secretary

For Immediate Release

June 27, 1997

Remarks By The President
In Signing The Drug Free Communities Bill

The Roosevelt Room

12:32 P.M. Edt

The President: Let me, first of all, say to you, Congressman Portman, and to Congressman Levin and Congressman Hastert, and in his absence, Congressman Rangel, and the senators who worked on this, this is a very important day for this legislation because it does reflect our commitment in Washington to behave in the way that people in communities behave when they do what works in fighting the drug problem. And I cannot thank you enough.

This is -- the fact that we did this in a bipartisan fashion, and we did it, to use Congressman Portman's words, based on trying to legislate nationally a system not only to empower people to do what we know works in some communities today already, but to give them the incentive to do more of it is I think a great thing. So I thank the congressmen for being here; I thank the members of the Cabinet for their support. I thank Jim Kopple, the President of the Community Antidrug Coalitions of America; Dick Bonnette, the Partnership for a Drug-Free America; and all the rest of you who are here.

Now, before I sign this bill, I have to make a couple of comments about -- this has been a very interesting week of momentous decisions by the Supreme Court. Today the Supreme Court issued a ruling on the Brady Bill. And since I have been so heavily identified with that for several years now, I'd like to make a few

comments.

The decision struck down the requirement that local police officers conduct background checks, but left intact the Brady Bill's five-day waiting period. Since the Brady Bill passed, 250,000 felons, fugitives and mentally-unstable persons have been stopped from purchasing handguns. I don't think anyone can seriously question that it has made a major contribution to increasing the safety of the American people. And I'm going to do everything I can to make sure that we continue to keep guns out of the hands of people who should not have them.

These criminal background checks make good sense; they save lives. Now, 27 states, nine more than when the Brady Bill first passed, have state laws requiring them, and they will continue to do the background checks. Even in other states, criminal background checks will continue. The Brady law was drafted by our law enforcement community; they wanted it. Again, it was a community-based resolution of a difficult problem. So I know that these state and local law enforcement officials who asked us to pass the law will continue to do the background checks.

I've asked Attorney General Reno and Secretary Rubin to contact police departments across our country to make sure they know that the background checks can and should continue to be done by local police on a voluntary basis. And then the Attorney General and Secretary Rubin will immediately convene a meeting of law enforcement officers to review and develop recommendations, including appropriate

legislation, to ensure that we can continue to perform these background checks. It's my understanding that the Supreme Court actually made some suggestions about how we might proceed from here.

My goal is clear: No criminal background check, no handgun anywhere in America. No state should become a safe haven for criminals who want to buy handguns.

We know that -- again, I say, tremendous progress has been made. The idea that 250,000 of these sales and transfers have been stopped is a very impressive thing in just a few years, and I think it clearly contributed to the largest drop in violent crime in over 35 years last year -- murders dropping a stunning 11 percent in 1996.

So we've got to keep going on this. And even though I wish we didn't have to do this extra work, I think the framework of the Court decision makes it clear that we have done the right thing, that the five-day waiting period is legal. And let me remind you, as the Attorney General said, by November of 1998, which is not all that far away, we expect to have in place the technology and the capacity to do instantaneous background checks. Is that the date? So what we've got to do is figure out how to keep this system alive between now and November of '98. We are committed to doing it.

Let me just say another couple of words, if I might, about this legislation today and what it means to us. I think the congressmen said it's only a small part of our overall drug budget, but it clearly sends a signal that we are shifting emphasis not to diminish what we're doing on interdiction and the other work that we have to do about drugs beyond our borders, but to recognize that we

will never get ahold of this problem unless we deal with the demand side here in America.

And we know that while casual drug use has plummeted over the last 15 years among adults, it has doubled among young people in just the last five years, and among 8th graders it has tripled. The fact that the percentage -- the total of people trying drugs at that age level is small is cold comfort when you look at the trends. And you ask yourself, how could these trends be running in direct contradiction to the fact that drug use is going down among people between the ages of 18 and 35. That is the real threat to our future. That is the problem we face today. And the quicker we face up to it the better off we're going to be.

A study by Columbia's Center for Addiction and Substance Abuse has shown, for example, that a young person who tries marijuana is 85 times more likely to try cocaine than peers who don't try marijuana in the first place. So a middle schooler or a high schooler who mistakenly decides that it's safe to try cocaine or heroine or Lsd or methamphetamine or any of the so-called designer drugs, along with marijuana, is playing a dangerous game and we have to try somehow to do more than we have done in the past to stop this. And we know that the broadly-based community antidrug coalitions have been successful at driving down casual drug use. We know that they've been more successful than anyone else and than any other approach has been.

So what we're trying to do here is to find a way to support them, to encourage them to do more and to increase the number of such coalitions throughout our country. We know that this has got to be done person by person, family by family, community by community. That's what this legislation does. More than 4,300 communities in every state in America and our territories have organized themselves to deal with this -- to help parents, to help the teachers, the coaches, the principals, all the others who are fighting for drug-free schools and communities and a drug-free future for our children.

So this is the sort of partnership we need more of. Again, let me say I am immensely gratified by the bipartisan nature of this. I also would say if you focus on the problem, which is why juvenile drug abuse is going up while young adult drug use is going down, and the whole impact of the culture on that, I think it justifies the policy that General McCaffrey adopted that I have supported him on of having an unprecedented advertising campaign to try to get the message out to these young people. And I certainly believe it supports our juvenile crime strategy of having 1,000 after-school programs to give our young people positive things to do, because we know that a lot of the most difficult hours are those right after school closes for criminal activity and for casual drug use.

So the Drug-Free Communities Act of 1997 is not only a good thing, but I hope it is an indication of things to come.

The last point I'd like to make, just to echo what the Vice President said about the smoking issue, is I think that this **settlement** was a terrific achievement. It is the result of all the work that was done before then in the public health community, and the work that our administration had done. But we have to take a



quick look -- I mean, a careful look at it, and we will take a careful look at it. Secretary Shalala and my Domestic Policy Adviser Bruce Reed are heading a group that will consult with the public health community, will look at it carefully, and we will offer our judgments on it.

My preliminary take is that we do not want to paralyze the capacity of the FDA to protect the American people. That, to me, is the critical thing. And that in no way minimizes the enormous achievement of the Attorneys General and the others who are involved in this in the public health community. And I have no final judgment on it. I just want to say that Secretary Shalala is going to take a serious look at it. We're going to work hard here in the White House. But if we can do more and more of these things together in a bipartisan way as we're doing today, I think this country is going to be much better off.

Thank you very much. (Applause.)

(The bill is signed.) (Applause.)

Q Mr. President, with the Supreme Court ruling today, will your administration, and can it legally, speed up the process of getting this instant background check system in place?

The President: Well, that's one of the things the Attorney General and Secretary Rubin are going to tell me in the next day or two. We're going to look at what our options are. Obviously, we've been thinking about this. I think the important thing to point out is, the Supreme Court said it was constitutional for us to have a five-day waiting period; that we can have background checks, but that five of them did not believe we could require local officials to do it. They said we could have done what we've done in the past by tying federal funds of some kind to the willingness to do it, sort of a contractual arrangement.

We're going to look at what our options are and see where to go from here. But in the short run, I would just implore the officials in the 23 states that don't have their own state laws requiring this to keep on doing it, because there is no longer any serious debate here; no one who needs to get any kind of weapon has been seriously inconvenienced, and a quarter of a million people who had no business with them don't have them. It's a huge public policy success for the United States. It's a part of driving the crime rate down. And we'll come up with our options as quick as we can.

Q It sounds like you like the **tobacco** agreement.

The President: No, I don't think you should draw any conclusion one way or the other. I like the fact that they achieved it and that it has -- and the broad dimensions of it are quite staggering. I mean, even in Washington \$368 billion is a lot of money. (Laughter.) And I think that it's a real testament to all -- to the work the Attorneys General and the other parties did. But I would say that we have an obligation to look at it very carefully from the public health point of view.

Keep in mind, whenever -- in any **settlement** in any lawsuit, both sides think they're better off settling than not, or they're wouldn't be any **settlement**. I mean, by definition. So what

we have to make -- we have to be sure that the things that made the **tobacco** companies believe that they did the right thing to settle don't compromise the long-term interests of the public health, and especially our attempts to stop children from smoking in the first place. That's all. And we're looking at it.

But I don't think -- you know, even if I were to render a negative judgment on it after Secretary Shalala and Bruce Reed finish their review, I would still be immensely impressed with the work that the Attorneys General and the others have done. It's quite a staggering thing. It's a long way from where we were just a couple of years ago when no one thought that any progress would ever be made on this issue.

Q Mr. President, what are your specific concerns about the Fda provisions in this agreement? ✓

The President: I want to wait until I get my review. I just want to make sure that they will still be able to do what is necessary to protect the public health and children's health based on the evidence that comes before them in the intervening period. Now, there is a period of years in which they cannot actually ban nicotine. But there are a lot of other options and issues which could come before them during that period, and that's what we're looking at, to make sure their jurisdiction has not been under any --

Q Sir, how do you resolve the rhetorical battle between Republicans and Democrats with the tax bill? There seems to be a stand-off going into yesterday over the income tax --

The President: Oh, I think a lot of that is -- I think the best way to resolve it is, one, for everyone to say, we want a tax bill, we want a tax cut bill. We want a tax cut bill that does not explode in the out-years, does not bring the bad old days of the deficits back to us. We want one that is faithful to the agreement that was made. And I want one that, particularly within the confines of the agreement, that helps families to raise their children and that helps to fund greater education.

But you should expect a little of this skirmishing. We're going to do more and we're going to offer our thoughts on Monday about what should be in the tax bill, and then we're going to keep working. But I'm, frankly, quite optimistic. I wouldn't -- you would expect that all the parties would advance their views in the most vigorous way possible. But I think the issue is, are we likely to have a bill that meets those criteria, and I think the answer is, yes, we are quite likely to have one.

Q You feel stronger with a line-item veto, don't you?

The President: Well, I think it's the right thing to do. I was pleased that the Supreme Court didn't strike it down, although they invited the first person who gets made enough to do so. (Laughter.) So I guess we'll be back in court on that one. But let me -- I had a when I was governor -- most governors do -- I think it should be used with great care and discipline. You have to respect the congressional process. And my experience was after having used it a few times, that the great value of it was that it was a low -- it was just another part of the framework of fiscal discipline we're trying to effect. That is, when I was a governor, after a year or two, the most important thing about it was not when it was used, but

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The Wall Street Journal Interactive Edition — June 19, 1997

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Transcript of Interview With President Clinton

The Wall Street Journal: Well, thank you for taking some time to see us. You're headed off to the summit and I wanted to ask you first, if I could, if you go back 10 years ago, a lot of people in this country, people overseas thought this country was caught up in possibly some sort of an inevitable process of decline, that we had kind of gone over the top, didn't have the flexibility. Look at the economy today; we clearly appear to be the most flexible, adaptive economy in the world, and the rest of the heads of state coming to the summit look to us and say, what can we learn, what can we learn from this success story that we can replicate. What do you tell them? When the heads of state in Europe or Japan say, how do you have such an adaptive economy, what's your answer?

President Clinton: I think -- what I tell them is that we have, I think, a combination of things that have worked for us. And you're right -- I mean, in 1970 -- the last time these nations met in the United States, they were basically -- all of the others were lecturing the United States about our budget deficit. And there are all of these stories about decline and everything.

I think to start where the primary credit belongs to the American people, I think you have a -- we have a private sector where there has been a dramatic amount of increased productivity in the last several years, where -- and the workers as well as the management, the employees as well as the management deserve a lot of credit for that -- where we're very strong in the areas that are dominant in technology and telecommunications and electronics, a lot of other areas that are kind of carrying the growth of the advanced societies, and where there's a very strong entrepreneurial risk-oriented spirit that's -- it's indefinable and intangible, but I think it has a lot to do with why we are who we are.

Lloyd Bentsen was in here yesterday and we were talking about his grandfather who came over here from Denmark, he stowed away on a boat, and two days out to sea he was starving and decided he had gone too far for them to send him back and they wouldn't throw him overboard, so he came up and volunteered to work.

This country is made up of people like that. I think the fact that we've remained open to new entrants, to new immigrants, to the sort of new energies and we're sort of constantly in the act of becoming -- and I think that you have to give a lot of credit to that. And then I think that in terms of the policies that -- the public policies and the world that they have had, I think we've had a responsible Federal Reserve policy, which has guarded against inflation the one time they were really worried about it in 1994, but has permitted the economy to grow when there is evidence that in a global economy there are some extra pressures against inflation.

When I became President, some people told me if we ever got unemployment below 6%, there would be inflation. And now it's below five and we have none. And I think that's because of technology, productivity and open markets.

So I think we've had a responsible Federal Reserve policy. And then we've tried to do three things that I think all work. We've tried to have a responsible fiscal policy to reduce the deficit. We've tried to expand markets to keep the competition going and to find new growth avenues for our people. And we have tried to empower the American people to succeed at work and keep their lives together with things like education, family leave and all those other policies -- the Kennedy-Kassebaum bill.

So I think we've followed the right mix of policies and I think that if -- so if they ask me, that's what I would say. And I think that some of this is applicable in the European context and some of it is not, but there are obviously European versions of it which work. If you look at what the Dutch have done, for example, there are some European versions of it. If you look at basically the British policies -- driving down unemployment, driving growth up -- you also have to work on things like making sure you've got the right regulatory environment and that the government's effective without being a negative influence on the

economy. I think that those are the things we've really worked for here, and I think we've achieved a pretty good balance.

WSJ: And do you see anything out there that could go wrong, that could change that equation 10 years from now so that we're no longer in that top seat?

President Clinton: Well, I think we have to keep expanding trade. I think it would be a mistake for us not to embrace fast track and not to embrace Latin America in particular, not to fulfill this African trade initiative that I talked about yesterday.

We just had a briefing -- before you came in, we just had a briefing for the Denver Summit. And Larry Summers was in there and he said, since 1990, the first time in history since 1990, that on a consistent basis the developing economies have faster growth than the developing countries. And he said -- I saw a chart of the predicted 20 countries with the highest growth rates 10 years from now and six were in Africa.

So I personally believe that -- and, of course, this ties into the race speech I gave at San Diego -- I think that America is likely to do even better relatively in the next 20 to 30 years because of our rich texture of diversity and how well we relate to every place in the world if we continue reaching out to it. So I think it would be -- if we don't do that, I think we could mess things up. If we go back to the failed economic policies of big ballooning deficits, I think that would be a mistake.

I think it would be a mistake if we -- there are a lot of, obviously, counterproductive things we could do to undermine the balance in our society, but I think that on balance I feel good about where we're going and I think the chances of success are high.

WSJ: Just to very quickly follow up on fast track, would you -- if Congress gives you fast track without some of the environmental and labor provisions that some of the congressional Democrats like, do you feel strongly enough about it that you would take that, you would accept that?

President Clinton: Let me say that I don't want to say anything now which prejudices the negotiations with Congress. I expect there to be a fast track bill passed by the Congress this year which I will find acceptable; I

expect that to occur. But there are a lot of elements out there we're working on now and I don't want to -- because this system will only absorb so much and we've got to do the budget, and then because of the timing we have to do the MFN vote, and then we'll do the fast track vote. And I don't want to say anything now that will complicate my work later.

I do believe, by the way, that increasingly, particularly the advanced countries of the world will have the responsibility to deal with labor and environmental issues in the context of their negotiations with other countries. We're dealing with them among ourselves right now. That's one of the most interesting things about now this Group of 8 countries, how the debate has changed just since I've been President to global concerns that we share, which include job generation, labor issues in our own country and issues like the environment.

WSJ: Can I ask you about another pressing issue this week? You've been a leader on the tobacco issue and it's in large part because of you that the two sides are at the table right now. Why don't you continue in that leadership role and step in and help them resolve their few remaining differences and help them reach an historic agreement?

President Clinton: Well, I think that, first of all, the parties should do just as much as they can. I think that it's been a good thing that I've not been involved in this, because in the end, I have to evaluate whether this agreement is not just a good agreement on its own terms, but is good for children's health and the public health generally, as compared to any other policy option we could pursue outside the agreement.

So I think I'm in a slightly different position here. I have responsibility from appointing the new Director of the Food and Drug Administration to dealing with legislation that will come up in Congress, like the Kennedy-Hatch bill -- which I expect to come up again outside the context of the budget agreement -- to all these other things. So I think it's important -- I don't want to rule out or rule in what I might say, but I want these parties to come to me and say, this is where we are -- we've done all we can do, here's where we are. And I want them to do the very best they can first, because I think the public has been well served by their representatives to the Attorneys General, their

representatives of the plaintiffs that have been injured from smoke through their lawyers, and the tobacco companies. I think this is a very different thing, and I don't believe I should have been running these negotiations.

At some point, would I consider intervening? My test will always be what I started with: I'm interested in the children's health issue and I'm interested in the public health generally. And so I don't want to say anything that prejudices or truncates these things. They need to stay there, keep working, and try to resolve this and bring us all something which we can evaluate. Then, if I think it should be modified in some way, I could tell them I thought it should be modified.

WSJ: What if it looks, as it has at times this week, like they're to the point of walking away, just throwing up their hands and walking away?

President Clinton: All negotiations look like that in the 11th hour. That's why, in a funny way, attempting to sort of invoke me as kind of a force outside the process -- that's why it's hazardous for me to encourage that, because I've never been in a negotiation over anything important, where the stakes were high, where it didn't look like it was going to come apart three or four times in the 11th hour. So that's why I think the less I say about it the better.

WSJ: But if they come to you at the end of the day and say, we've tied this agreement up except for these one or two strings, we cannot go any further; and you're convinced they cannot go any further, you're leaving the door open to dealing with those last one or two issues?

President Clinton: Whatever I face on this, I'm going to do what I think is best for the public health and especially for the health of the kids. That's what I will tell you -- whatever set of circumstances I face. But they don't need to -- they need to sort of just stay glued to those chairs in the rooms and keep working and try to resolve this among themselves.

WSJ: Could you accept a deal that did everything else you wanted and barred punitive damages?

President Clinton: I have nothing more to say than I've already said. Anything I say on that undermines the

negotiating process.

WSJ: Mr. President, on the budget, can you sign a tax bill like the Roth bill, where two-thirds of the benefits go to the top 20% of wage-earners in the country?

President Clinton: Well, first of all, my tax plan has much more benefits for middle class people. And I think that the benefits should flow to middle class people because they are the people whose taxes were raised repeatedly in the 1980s, principally through the payroll tax increases. And we were able to do some very significant things for low-income people in the 1993 plan, through the -- and not so low-income people -- through the Earned Income Tax Credit, now benefiting families of four with incomes up to \$30,000. Their taxes are about \$1,000 a year less than they would have been otherwise had we not done the Earned Income Tax Credit in '93.

There are significant benefits in the budget for them, particularly involving welfare to work funds, empowerment zones, the brownfields, the Pell Grants. On the other hand, I don't think the poor ought to be disadvantaged, if you will, sort of singled out for prejudicial treatment in the plan the way the House plan does. And I haven't seen all the details of the Senate plan.

So I have a plan for cutting taxes; I think we ought to have a tax cut. The distributional pattern of any tax plan will look somewhat skewed to upper income people if there is any kind of capital gains tax and estate tax relief in it. But that was the price of the agreement. That is, the Republicans wanted most of all the capital gains tax and the estate tax. We agreed that there ought to be some relief to help families raise their children. And I wanted the education tax relief, because I believe -- you've talked about how we're going to keep this going -- in the last two years, over half the new jobs -- and I'll come back to this -- over half the new jobs in this economy have been in higher wage categories.

But if we want to keep the wages going up, we have to educate people to those jobs. In the last five years, since I've been President, the only American group whose incomes, as a group, have not gone up, are Hispanic Americans, because they have a high school completion rate 25% lower than African Americans or

whites.

And as I said last week, it used to reflect -- it's a reflection of their good work ethic, but if you drop out of high school and go to work, you're not going to do well. So I think my education credits are very important. So I'm going to fight for them.

But the fundamental problem is in the Senate -- let's just take the Senate -- 82% of the Democrats and 74% of the Republicans voted for the budget agreement. The budget agreement is very specific on some of these issues, about what the tax plan should be. And I argued that either any member of the House or the Senate that actually voted for it -- now, if they didn't vote for it, they're not bound by it -- but if they voted for it, then they ought to feel as bound by it as I do.

Senator Lott called me and said, you have to withdraw your support of Kennedy-Hatch in the context of the budget agreement, even though I know you're for the bill and you like the idea, because it's outside the budget agreement. It's inconsistent with it. And if this gets put on, then Phil Gramm is going to offer an amendment which says, we ought to have an across-the-board cut in spending and an appropriate across-the-board increase in the taxes. So I said fine. And I did it, and it was a very difficult thing for me to do.

WSJ: Are you willing to do the same thing to them?

President Clinton: But they need to follow the same thing -- they need to follow the same rules that I did. And the budget agreement was quite specific. Now, a lot of them are saying, well, we didn't negotiate it. They didn't, but they voted for it. And if you vote for it and you give your word, you ought to keep it. That's my position. And I think we can get through this thing. We can have a good tax cut. We can satisfy a lot of the things that the Republicans want in their tax cut and still focus on the middle class, which is what I want and what I think most of our Democrats want. And we can get to the end of this process.

But if everybody in every committee starts saying, well, I'm not bound by this agreement exactly because I didn't negotiate it; therefore, I will observe the big number -- in this case the big number is the aggregate tax cut number for 5 and 10 years -- and I'll throw a

few bones in these little categories that are mentioned, some of which, I think in the Senate bill, weren't even dealt with at all -- we're going to have a very difficult time.

Now, I expect we'll work through all this, because this is the whole process. I mean, I think -- to be fair, I think in both cases, I think the Republican committees and the Democratic minority -- the Democratic minority in the House Ways and Means Committee offered their tax plan, which is much, much closer to both what I would like, and it's also more faithful to the agreement. But I think -- I'm not particularly disturbed at this point, because I think this is their way of saying, well, we didn't write this agreement; this is how we would have written it. But in the end, we're going to have to have a budget that's faithful to that agreement; otherwise, everybody will start bailing out.

WSJ: But, Mr. President, many Democrats in the House -- the Senate basically, when you talk to them, say, look, the President is going to sign -- as long as he gets his educational tax relief, he'll sign anything the Republicans want, even if it's backloaded and will be very costly down the road.

President Clinton: No, I won't do that. I believe -- I will not do that. We went to a lot of trouble to get two things in that budget agreement. Again, anybody that says what I will or won't do, I can refer you to the agreement because we were very careful about it. The agreement says there has to be a ten-year plan as well as a five-year plan for revenue loss. And the revenue loss, in dollar-adjusted terms, of this tax cut is one-tenth the 1981 tax cut.

All this sort of, the sky is falling, over this tax cut, I think is -- that's one thing where I agree with the Republicans. I think that this has been way overstated. The revenue loss here, over 10 years, is one-tenth, in constant dollars, what the 1981 tax cut was, in a much bigger economy.

But, number two, there is also general language in that agreement which makes it clear that you can't put in a lot of gimmicks that may not show up in the second five-year revenue loss, but in the 11th year there is an explosion. You can backload these things; you can index them; you can do some of those mark-to-market -- little deals. You can do a lot of things. There are a

lot of little devices you can do that -- and if you do them just right, you'll get inside the ten-year window by the most strict accounting standards. And then it's like pushing down on a box of TNT afterward. No, I'm not going to do that.

But the agreement specifically says we won't do that. The agreement has language on that. All I have to do to do the right thing by America, is be faithful to the agreement.

Now, what I've told the Democrats is, we made a good faith agreement and the Republicans are going to get a capital gains out of this, and we should offer a constructive alternative, if we don't like it, and try to get a debate. There is going to be some estate tax relief out of this. We should try to focus on not only like lifting the floor a little bit, because it hasn't been lifted in a long time, but recognizing that there are people out there who built small businesses from nothing with inventories they built with after-tax dollars, who built farms from nothing with they built with after-tax dollars, who, if they had to pay -- whose businesses and farms have appreciated a lot. There may not be many people like that, but they represent the best of this country's economic activity and a lot of our best values. And they do deserve some relief. So, why shouldn't we come out there with our own proposal?

Daschle -- Senator Daschle did one on the businesses and farms, but -- Senator Bumpers, a few years ago, had a long-term capital gains tax relief for people that start new firms. We had a little -- or capitalizing of a modest amount -- we had a very modest version of that in '93.

I think we ought to offer more on that. I think we ought to do something on the home office deduction. I think the tax code is -- I know there were -- I know Treasury's always worried about abuse, but there are -- there are going to be -- there are -- when I became President, there were 3 million people who were self-employed working on their homes. When I was re-elected, there were 12 million. Pretty soon, there will be 30 million. It matters that we have the home office deduction. It makes sense.

So, that's where I am on this. All of this is perfectly consistent with agreement. So, I say to the Democrats, though, in the end, if the Republicans want to vote for

a capital gains that you think is not the most effective one, they are in the majority and it's in the agreement, and as long as it meets the ten year time window, doesn't explode as soon as the window's over and puts the other things that are in the agreement and the tax cut, I cannot veto that.

WSJ: Would you -- capital gains violate the agreement?

President Clinton: Absolutely. I think it would because I have never seen any -- I have never seen any revenue estimates that don't show that you get a massive explosion in revenue loss. But on the other hand, I don't think Senator Roth and Mr. Archer are going to let me write the capital gains proposal, nor do I think they should. They are in the majority, they have a right to do it. That was part of the agreement. But I would hope, since they are also normally sensitive to small business people, that they would listen to some of the things that I feel on the estate tax, on even more generous relief for longer held assets in new businesses -- like Dale Bumpers was trying to do years ago -- and on this home office deduction -- just to give you three things.

And I still think they've got to go back and put in what we said on the empowerment zones and the Brownfields because those are big things to try to get again capital and enterprise back in the inner cities. The biggest untapped markets for American businesses right now are all these inner cities that haven't rebounded to the extent the overall economy has.

So, this is good for business what we're trying to do here. But it's also going to be good to give those folks jobs.

WSJ: Just to make sure I understand where you are on the Roth bill -- in your view, it clearly violates the agreement. Therefore, if it came to you in that form, you could not accept it?

President Clinton: Yes, but let me say -- I don't want to get into this. I think on balance -- let me say again what I think is going on. Senator Roth and the Republican and the Democrats on the Finance Committee -- they were not involved in the negotiations. Everybody wants to put up what they think ought to be done. All I'm saying is -- here's what I

believe: I believe, in the end, we will all conclude that we have to be faithful to the agreement.

There are a lot of things that Lott's been doing in that committee that I think are highly laudable, and they're trying to do a lot of things. But the only thing I'm saying is, if you load this -- if you index capital gains -- I don't think the Senate did that. The House indexed capital gains. I just think you have to be -- the thing I'm worried about with Senator Roth's bill is, even though I've often -- I have not been an opponent of IRAs -- I don't know that I love them as much as he does, but I have not been an opponent of them -- but I understand. And again, I have not studied this. I'm concerned that there may be a little backlogging of the IRAs in a way that could have the same exploding effect. I just want to have time to analyze it.

But I can't comment on the Roth bill because it just got voted out. And I don't know what the details are. The only thing I would say is, I understand what's going on. I'm basically very positive and hopeful. But in the end, I think, we're going to find that the only way to the safe shore of a balanced budget agreement is to honor the agreement that was voted on -- that within that, there will be flexibility for the Republicans to do things that they want to do on the tax side; that there will be arguments around the edges even in the appropriations process.

But we've got to honor the agreement. That's the only way we'll ever get there. If we abandon the agreement, then I don't know how we're going to get to a balanced budget agreement. This agreement was very specific. And almost 90% of the Republican House members, nearly two-thirds of the Democrats, 82% of the Senate Democrats and 74% of the Senate Republicans voted for it. It seems to me that that's a pretty good argument for staying within it.

WSJ: You mentioned that your agreement to hose Kennedy-Hatch for the sake of the budget deal came out of a conversation with Senator Lott on the phone. I've been curious about your relationship with Senator Lott. How frequently do you speak? Has the recent back and forth over the budget and the tax bill hurt your relationship? Have you spoken to him since he called you a "spoiled brat" on TV this weekend? (Laughter.)

President Clinton: No, I haven't, but I intend to call him in the next day or two. (Laughter.)

WSJ: What are you going to say to him?

President Clinton: I call him -- I try to talk to him and the Speaker on a fairly regular basis. I've been kind of out of pocket for the last week or so. I've been just so covered up with other things that I haven't talked to him as much in the last couple of weeks as I had been previously.

But I don't pay as much attention to some of that as some people do. I mean, I think one of the things that you have to be prepared for if you become President is that you will become the object of unflattering comments from time to time.

I remember once when we were in the budget negotiations last year with Senator Dole and Mr. Gingrich, they were all upset about something that was in some, one of the magazines -- I think one of the weekly magazines. And I said, you guys got to stop reading that. You're in the majority now. (Laughter.)

I think at some level, you just have to -- all that has to be absorbed because when we let our personal feelings get in the way of our public responsibilities, that's -- we can't do that. I certainly can't.

WSJ: What's your relationship been like with Lott? How much --

President Clinton: Well, I think it's been quite good.

WSJ: How important has it been to getting --

President Clinton: I think -- first of all, I think it's been quite good. And I was -- I think he's getting a little bit of a bum rap right now. And I think Gingrich is too. And I just have to say, in this sense, he has proven, first of all, quite effective. We've got a budget agreement. We've got a Chemical Weapons Convention. We've done a number of other things that we've worked through. If you look at the Chemical Weapons Convention, he was quite faithful to his caucus there. And yet, I thought it was quite a principled process.

And we're working through now -- I hope we're going

to have an agreement on this -- on the United Nations funding and reforming the foreign policy agencies. And he and Senator Helms and others -- I think they've been quite effective on this disaster relief. The census thing is a legitimate issue. It's a legitimate issue -- what is the best way to accurately account for the number of people living in the country? And by metropolitan -- that category.

And on the continuing resolution, that's a big deal to them because they don't want -- they don't want me to be in a position of looking like I forced them to shut the government down. On the other hand, for our side, it's a big deal because the way the process works, you get the tax cuts first and reconciliation and the spending on education and other things doesn't come until the appropriations process later. So, if you have a continuing resolution already been passed, then the people who wanted the tax cut, but didn't want the spending can walk away from it. This is a difficult issue, but it's an important one. It's just that neither one of them should have been in the disaster bill.

But my impression is that they were just following what their troops wanted there. And the fact that as leaders they recognized that it was the right thing to do for the nation to go ahead and take care of the disaster problem seems to me is a good thing which will, over the long run, strengthen the position that their parties will have in dealing with public issues. I think dragging it out for another week or two would have been an error.

But anyway, I've had on balance a constructive relationship. They criticize me publicly when they disagree with me.

And they're very tough in private when they're negotiating for what they want. And I don't have any problem with that. That's the way the system works.

WSJ: Does it help the relationship that Senator Lott is from the South like you are, Sir?

President Clinton: We have similar backgrounds in our early childhood. And I think we understand each other. He's always been straight with me, and that's all I can ask. One time, last year, I remember, before the election, but after he'd become Majority Leader, he was -- I wanted him to help on something where I really

thought he was in the wrong, but -- and it would have been easy for him because his position was pretty rough, but he didn't sugar-coat it, he told me where he was. That's all you can ever ask, for somebody to be straight.

But he's been quite faithful in representing the feelings of his caucus, where they are, and yet the sense that he has to try to reach a resolution of things. Most Americans want us, in the end, to make principled compromises so that America works.

I guess that's another thing -- going back to your first question, I would say, we're risk-takers and we're also principled pragmatists. Americans are very oriented toward doing things -- in the end, we want to do something. We want to see something happen. We want to be dealing with a different set of problems tomorrow than we're dealing with today. That's a mind-set that is consistent with the kind of entrepreneurial, risk-oriented approach of America. And I think it makes it possible for us to really do well in this world, especially as we get more diverse.

But anyway -- I have a good relationship with him and this deal, I don't do the Sunday talk shows much, but if you're having a bad week and you do the Sunday talk shows and your colleagues start grinding on you and you're dead tired because instead of getting a lot of sleep on Saturday night you have to get up and be beat around the head a while, there's no telling what you're going to say. (Laughter.) So it didn't affect me. That was probably a lot nicer than some of the things he could have said. (Laughter.)

Mr. McCurry: --

WSJ: Mr. President, you've made it clear you want to take on entitlement Social Security.

President Clinton: Yes, I do.

WSJ: Fairly soon. Do you think in doing this Social Security reform, do you think it's a good idea to perhaps move in maybe a small way toward these individual savings accounts where people have some portion of their Social Security they have some control over? Does that appeal to you?

President Clinton: I don't know. I don't want to rule it

out, but let me just say what I want to do. Again, one of the things I learned, the lesson -- the sort of positive lesson in '93 where we got this huge budget deal through and then we had Nafta and then in '94 where we had a major fight over a crime bill, but we got it through and later got the GATT agreement through, but couldn't also absorb a major health care thing and the timing ran out so we didn't enact welfare reform in '94 is that you have to be very disciplined in how much the system can absorb, and you need to be a very -- have a rigorous timetable.

So I figure this year, we can deal with and I hope successfully, we already did the Chemical Weapons Convention, we're doing the budget, we've got to do China, we've got to deal with fast track, and then at some point after that, either later this year or sometime next year it seems to me we could have some process which would come to fruition and we could ask the Congress to take up some long-term options to preserve Social Security and strengthen it as the baby boomers retire.

I do not share the conventional view that it is inconceivable that we would have a bipartisan congressional action on this in an election year. And if we -- if, if -- this is a big if -- if we can get the budget, why? Because once you pass this budget, balanced budget, then no Democrat or Republican member could ever be accused of making a vote for long-term Social Security reform either to balance the budget or to pay for a tax cut -- even if the benefit of long-term reforms instituted now would be to accelerate the date at which the budget was balanced.

So I'm not trying to be particularly evasive here, but I think it is the right thing to do for me not to try to prejudge or jumpstart this process until I can talk to the Majority Leader and the Speaker and the Democratic leaders and settle on a process, because I think they know this needs to be done -- settle on a process, have a fairly tight time frame on it, and then come up with some solutions to start this.

I feel the same way about entitlement reform I did about the race initiative. In a funny way, there are some parallels. We usually deal with entitlement problems when there is a huge problem. Like right now, there is a big -- we know we've got to add some years to the Medicare Trust Fund, so we've got a big, bipartisan

consensus for a set of reforms that will take us out a decade and will save \$400 billion over 10 years, which is a lot of money, because -- and we have to do this.

And in '83, we had to do something about Social Security. Well, right now we've got a little room on Social Security. It's not like it's moving down on us, but people like me -- I'm the oldest of the baby boomers -- I think every one of us are determined that we're not going to saddle our kids with our own retirement and undermine the security of theirs. We're determined to do it.

So because the country is in good shape and we have a high level of self-confidence if you will, collective self-confidence now, this is a time we ought to deal with it. Just like I feel that this race initiative is appropriate now because there is not, like the Watts riots that led to the Kerner Commission and all that. I think it's appropriate now because it's time we started thinking about what we'll be like in somewhere between 30 and 40 years when there will be no majority race in America. And if we can't do it now at a time when we're secure and we have the luxury and responsibility of looking to a new century, when can we do it.

So that's what I want to do with the entitlements. But I don't want to be too -- and I'm very flexible in a way, I'm open-minded about how we look at this, but I don't want to, by talking about the specifics too much now, undermine the prospect that we can actually succeed in the project.

WSJ: Let me ask you one final question, if I may, about the Independent Counsel. You read the public presses that he is focusing again on the Webster Hubbell, and his people make it quite clear that they think the pervasive help that was offered Mr. Hubbell when he was in trouble, coming from people close to you like Mack McLarty, that they find it impossible to believe that this is benign.

How do you answer that, and do you think that they have a vendetta against Hubbell?

President Clinton: First of all, the whole thing assumes that he must know something in the first place, right, which we've talked about there's no evidence of that. Secondly, keep in mind when Webb Hubbell left

here, everyone from the Attorney General on down did not expect that he had actually done what he later admitted that he did.

So we've already commented on this, we've said everything there is to say about it, and in terms of Mr. Starr's relationship with Mr. Hubbell, you'll have to ask them about that. I know you don't want me to say --

Mr. McCurry: Okay, that's it. (Laughter.)

President Clinton: I'll tell you something on the way out. (Laughter.)

WSJ: But does it strike you as strange he's going after him again?

President Clinton: No. Doesn't strike me as strange, no. but I think -- all I can tell you that to the best of my knowledge, all of these people have told what they did. He had a wife and four kids and had to take care of them and they didn't think he had done anything wrong, and that's what he told us all until he pled guilty. That's what I believe to be the facts.

WSJ: Thank you.

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THE WHITE HOUSE

Office of the Press Secretary
(Flushing Meadows, New York)

For Immediate Release
15, 1997

April

REMARKS BY THE PRESIDENT TO THE STUDENTS OF ANDRIES HUDDE JUNIOR HIGH SCHOOL ON THE NEW YORK AREA'S "KICK BUTTS" DAY

Andries Hudde Junior High School
Brooklyn, New York

11:10 A.M. EDT

THE PRESIDENT: Thank you. Good morning. Let me, first of all, say that I am delighted to be here. And I thought Ayana gave a wonderful introduction, didn't you? Give her a hand. (Applause.)

I'm delighted to be here with all of the young people at the Hudde School, not only those who are here, but those who are outside this room listening to us and looking at us over closed-circuit television. There are young people around New York and all across America participating in this second annual Butts Day. But I am glad to be here.

I thank your principal, Julia Bove, for making me feel so welcome. I am delighted to be here with Congressman Chuck Schumer, my longtime friend who has worked so hard on this tobacco issue, and also he's worked hard on the assault weapons ban and the Brady Bill and other things to make the streets of

New York safer for children. (Applause.)

I'm glad to be here with Major Owens who was a very early supporter of mine here and who has been a great champion for education. You heard him talking about education -- we trying to get this Congress to really focus on the education needs of our children. And if it does happen in this Congress, and we get the kind of progress that I think we will, it will be in no small measure due to Major Owens. I thank you, Major, for your leadership. (Applause.)

And I want you to think about Mark Green's title a minute because I'm going to talk to you about my job, their jobs, your jobs in a minute. Mark Green's title is the Public Advocate. I don't know if there's another city in America that has an elected public advocate. But think about what that means. What would it mean for you to be a public advocate? Someone who is standing up for people at large, right, for the public.

Now, it was in that connection that Mark Green created this day, Kick Butts Day, all across the United States. He was the first official to ask to ban cartoon figures in tobacco ads, to his fight for at-risk in uninsured children. He's been fighting for children. But just think about it -- because he was advocating for the public in New York, we now have a national Kick Butts Day involving, as you heard, about two million people. That's an incredible thing, and we thank Mark Green for his leadership for that. (Applause.)

I also want to thank Bill Novelli and the Campaign For Tobacco-Free Kids. I thank the others who are here on the platform with me today -- the President of the New York City Board of Education, Bill Thompson; and Rudy Crew, the Chancellor of the Board of Education. And I'm glad to see Sandy Feldman of

the American Federation of Teachers representative, out here in this group.

And I'm glad to be at this school. I've heard a lot about this school. Congressman Shumer says, my daughter goes to this school. I actually have -- one of the press people who travels with me, Mark Knoller of CBS Radio, graduated from this school. And I hate to admit it, but he got a good education, too. He's done a good job. (Laughter and applause.) He's also very popular with the press corps, as you can hear. (Laughter.)

Now, let me ask you to think about my job and your job. How many of you saw something in the news about Tiger Woods winning the Masters? How many of you thought it was a good thing? How many of you know that we're going to celebrate tonight at Shea Stadium the 50th anniversary of Jackie Robinson

breaking into baseball? You all know that? And how many of you know who Jackie Robinson played for? Who did he play for? The Dodgers. (Applause.) When they were in --

AUDIENCE: Brooklyn.

THE PRESIDENT: -- Brooklyn. And how many of you think it was a good thing that Jackie Robinson broke the color line in baseball and gave everybody a chance to play baseball? (Applause.) Okay, now, to do things that are great, you have to be able to imagine that you can do them. You have to be able to dream your dreams and actually imagine that you can be there. But you also have to pay the price. You have to develop good character and a good mind and good habits. And those are things that no one can do for you.

And I came here today for a specific reason -- because I think all the time about my job as President, I'm sort of the country's public advocate. You think about my job and what I can do and what I cannot do. Where does my job as President end and your job as a student and a citizen begin? That's what I want you to think about, because that's really what this is about. That's what all these T-shirts are about. That's what this slogan is about. It's about your future, your life, what all of us on this stage can do and what only you can do.

Now, if you think about my job -- this morning, I got up early this morning and read the newspapers and talked to my wife and daughter and read my security briefing to see what was going on in the rest of the world. And I got on Air Force One, the special plane that the President flies in, and I flew to New York and then came over here. And I thought about on the way over here how much do these young students know about my job.

My job is to protect the United States, to promote world peace and the interest of the United States around the world. My job is to try to give you a strong economy so those who are willing to work can find a job; to commit to giving Americans the best education in the world so everybody has the chance to develop their minds; to try to make our streets safer, to try to make our environment cleaner; to try to make sure that the health and welfare, especially of our children, are in better shape for the future; and maybe more than anything else now -- and look around at this student body -- to try to make sure that we in America can learn to live together in harmony and peace and genuine affection and respect across our racial, ethnic and religious differences, to have a true democracy that's blind to the differences in terms of prejudice, but respects the fact that we are different and says, that's a good thing. It's a better thing that a country has people from many different racial and ethnic and religious backgrounds. It makes us stronger, not weaker, for the 21st century. That's my job. (Applause.)

Now, what does that mean? That means, in specifics,

that I'm down in Washington now; I'm trying to work with the Congress to do the public's business to balance the budget,

because it will make our economy stronger and guarantee that we'll have more growth and your parents will have more opportunities for good income. I'm trying to do it in a way that invests in education because unless we have the best education system in the world we won't do as well as we should in the future, and you won't have the opportunities you deserve. Those are just two examples.

But think about where what I do ends and what you do begins -- because in the days when Jackie Robinson broke into baseball someone had to make the decision that this racial prejudice was a stupid, dumb thing, right? And the owner of his club made that decision and gave him a chance to play. That's a good thing, right? But just think what a downer it would have been if he couldn't play baseball. He still had to play baseball, right? He had to believe he could play baseball, he had to train himself to play baseball. He had to deal with all the prejudice and all the insults and all the hatred and all the rejection and he had to maintain his dignity, all the time waiting for that chance and never knowing for sure it would ever come.

Now, think about Tiger Woods. He grew up in a time when there was -- legal segregation by and large was illegal, unless it was in private clubs. And he had a wonderful father and mother who believed in him and gave him love and discipline and opportunities, right? But he still wouldn't have won that golf tournament unless he could hit the ball -- a long way. (Laughter.) Straight, right?

So all of us, we can get together -- what's that got to do with you and Kick Butts Day? We can get together and I can tell you, like they did, 3,000 kids start smoking every day and a thousand of them are going to die sooner because of it. I can say that. I can tell you that more people die from cigarettes every year than die from all of the other problems that you heard Congressman Schumer talking about. And I can tell you that; it's really true -- more than from AIDS, more than from cancer, more than from car wrecks, more than from all that stuff. I can tell you that advertising has a disproportionate impact on young people.

How do we know that? We actually know that. How do we know that? Because younger people who buy cigarettes are far more likely to buy the advertised brands of cigarettes than the so-called generic brand -- you know, where there's no advertising, no brand, just plain cigarettes. They're cheaper, but you never see them advertised. Older people are more likely to buy them, and younger people are more likely to buy the advertised brands even though they're more expensive.

So I can tell you all that. I can tell you that tobacco companies are getting more clever now. Virginia Slims is now sponsoring concerts because kids love music and CDs. Joe Camel cartoons are now on the packets of cigarettes, not just in the ads. Toy race cars are still emblazoned with tobacco brand names, even though we know adults don't buy many toy race cars.

Now, just last month, one of the tobacco companies finally changed its story. The President of the tobacco company, Liggett, said -- and this is a quote from him -- he can tell you this. This is a guy that ran a tobacco company. He can say, we acknowledge that the tobacco industry markets to youth, which means those under 18 years of age. And he also admitted that nicotine is addictive. Now, that's what he said. I hope the other tobacco companies will follow his lead and tell the truth and stop trying to sell their products to adults and not to kids.

Now, all this is my problem and their problem and the other people that are in this. We're supposed to do this. We're supposed to do everything we can do stop them from advertising to you and to stop this, and I have done everything I know to do. Last August, we put out these rules and we said they

have got to stop this. But after we do all that, there's still you. Right?

Think about it like Jackie Robinson. And so all of us, we're like the guys that own the ball team, right? We're supposed to make everything all right so you have a chance to play baseball, except what we're trying to do is make everything all right so that the chances are very high that you won't be tempted to smoke.

But it's still up to you. That's why I'm here today. Because I can sit in Washington and work all day and all night long and make this speech until I'm blue in the face, and unless the children of this country band together and show solidarity with each other, and help each other resist peer pressure, and stand up for your future, and understand that your body is the most prized gift you've been given along with your *mind and your spirit, nothing I do will amount to a hill of beans.*

That's why I'm here; because you have to take responsibility for your future. We can give you the opportunity, you have to seize it. And I want everybody in America on the news tonight and anybody who hears about this to know that in this school, you children are setting an example for the rest of America's young people. I am proud of you and I want

you to remember it tomorrow when you're not wearing that T-shirt.
(Applause.)

And I want you to remember this, too. Even with no barriers, not everybody's going to be able to play baseball like Jackie Robinson did. I still remember when I was -- I was 10 years old before I ever got a television. But Jackie Robinson had two years left in baseball and I got to watch him on television. I still remember that.

Even with golf more open to more and more kinds of people, with 2,500 minority children in Houston, Texas, for example, very few people are going to be able to drive the ball 320 yards consistently. But you can all have some dream. And everybody's life has real meaning and every one of you has to figure out what that dream is going to be for you. But no matter what it is, you've got to do just what the champions do: you have to believe you can do it and think about it and visualize it. You have to work for it. You've got to get a good education and you've got to take care of your mind and your body. And if you do, you'll be a champion, no matter what you do and no matter whether you're famous or not.

You think about it. This country has one President, for example, and 260 million other people. Now, if tomorrow we had to do without one President or all 260 million other people, it would be a pretty easy choice, wouldn't it? You'd say, I like you, President Clinton, but I'm sorry, you'll have to go. (Laughter.) The rest of us are going to stay.

The greatness of America is in all the people. It's in the billions and billions and billions of decisions they make every day. And you're making them for your life and your future and your country. I am very proud of you. But don't you ever forget this -- have your dreams and live for them, but take care of yourselves. Take care of yourselves. Your body is a precious gift. And you have set an example today that I can only hope and pray that every young person in this country, that all of them will follow.

Thank you and God bless you. (Applause.)

END

11:28 A.M. EDT

Message Sent To: _____



SONICS HOPE TO PAY BACK THE BULLS
SUNDAY GAME IS FIRST SINCE NBA FINALS, 1,3,6C

DEION SANDERS WILL PLAY BASEBALL FOR CINCINNATI REDS 1C

By Al Sherman, AP
Sanders: Will still play football for Cowboys, 1C

FRI./SAT./SUN., JAN. 31 - FEB. 2, 1997

NEWSLINE

A QUICK READ ON THE NEWS

WALL STREET: Dow Jones industrial average jumps 83.12 points to 6823.86; Nasdaq index climbs 15.85 to 1371.02; 30-year Treasury bond yield falls to 6.87%, 1,6B.

► A feeling the bull market is over. Street Talk. 3B.

SIMPSON TRIAL: Jury returns to deliberations today; some members reportedly contacted by an agent. USA TODAY Online: <http://www.usatoday.com>. 6A.

GOLF WITH STARS: Tiger Woods teams up with Kevin Costner, left, in Pebble Beach National Pro-Am tournament. 2D. The dynamic duo's combined 64 puts them four strokes off the lead. 1,12C.



Twosome: Fame is 'wonderful,' says Woods, 'but there are disadvantages'

FBI: Crime lab has "serious set of problems," official says. 3A.

DEATHS: In Houston, three people are dead and six feared missing after mail wall collapses. 3A.

SAVING TWA: Attempts have been made to save the troubled airline before, to no avail. One man who has played pivotal roles in reshaping several major airlines thinks he can succeed. And many are paying attention. 1B.

PARK DAMAGE: Yosemite Valley suffered at least \$173 million in damages from flooding. National Park Service says. An emergency bill to pay for repairs is in works, but park may not be ready for rush of spring visitors. 6A.

APARTMENT SEARCH: Sen. Max Cleland, D-Ga., a triple amputee, striking out in search for a wheelchair-accessible apartment in Washington, D.C.-area. 1A.

TODAY'S DEBATE: Business and government. In USA TODAY's opinion, "A new coalition has a hit list to save tax dollars, but its chances don't look good." 12A.

► "The welcome interest in cutting corporate-welfare spending could put unsuspecting taxpayers at risk," says David Keating. 12A.

MONEY: Tax-prep software better and cheaper. 3B.

SPORTS: Miami-based agent 'watches his back' while scouting Cuban baseball talent. 1C.

LIFE: A warm feeling is found in Egypt. Travel. 5D.

COMING MONDAY

In the spotlight



Catch up with Tony Bennett, left, who's all over the place these days, and interactive, to boot. And, Bill Cosby, who makes his first public appearance since the Jan. 16 murder of his son.

By John O. Buckley

Inside USA TODAY 4 SECTIONS



Crossword 100
Editorial/Opinion 12-13A
Lotteries 11D
Marketplace Today 9-11D
State-by-State 4A
Stocks 6-8, 10-12B

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USA SNAPSHOTS®

A look at statistics that shape the nation

Impaired co-workers

of American workers who have worked with someone alcohol or drug use affected his/her job:



Source: Hartman Foundation
By Scott Plante and Suzanne Whangweil, USA TODAY

USA TODAY

NO. 1 IN THE USA... FIRST IN DAILY READERS

STAR WARS

THE FORCE IS BACK
PART I OF UPGRADED VERSION OF TRILOGY RETURNS TO THEATERS TODAY, 1D

For Video



White House database under fire

List of names called source of fund-raising

By Mimi Hall
USA TODAY

Clinton administration officials tried Thursday to explain new disclosures of possible fund-raising irregularities: that a White House guest list have been used to solicit political donations.

Truman Arnold, a Texas oil executive who was finance chairman of the Democratic National Committee (DNC) in 1993, told the Los Angeles Times he was given from a White House computer database containing more than 200,000 names.

Arnold said he used the information to try to reach out to "disaffected" donors who had stopped contributing.

If the donors had not been recently invited to White House functions, Arnold said, he would make sure they received invitations to state dinners and White House coffees.

At a contentious White House briefing, spokesman Barry Toiv repeatedly denied that the database was used for political purposes. That would violate federal laws prohibiting use of a taxpayer-funded list for political purposes.

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Also Thursday, Sen. Fred Thompson, R-Tenn., said the panel looking into foreign contributions to the DNC will send investigators to 11 countries.

Sen. Tom Doherty, D-S.D., criticized GOP plans to \$6.5 million on the probe.

► The database, 9A

TEEN SMOKING AND DRINKING

How ad images shape habits

A groundbreaking survey of 534 teens by USA TODAY in January found that they almost universally recognize the Marlboro Man, Budweiser's frogs and Joe Camel, but those brands aren't necessarily what they buy. Still, ads can influence whether a teen smokes or drinks.



JOE CAMEL

**Saw ad: 95%
Liked: 65%**

But Camel was not the most popular brand among teens interviewed.



MARLBORO MAN

**Saw ad: 94%
Liked: 44%**

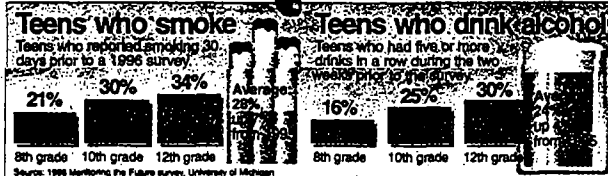
But Marlboro, the world's most-advertised cigarette brand, was the most popular brand by far among teens interviewed.

BUD FROGS



**Saw ad: 99%
Liked: 92%**

But Budweiser was not the most popular brand with teens interviewed. Beer popularity varied widely by region.



Ads for adult vices big hit with teens

By Bruce Horowitz and Melanie Wells
USA TODAY

COVER STORY

There's one thing about smoking and drinking that teens seem to know even better than adults: the ads.

Beyond the smoke and beers, teens almost universally recognize — and often like — many of today's ad icons for adult vices. An extensive USA TODAY survey of 534 teens in four cities shows that many teen-agers are on a virtual first-name basis with Joe Camel, the Marlboro man and the Budweiser frogs.

Never mind who the ads are trying to target. Teens think most of these ad icons are quite cool. An astonishing 99% of those surveyed knew the Budweiser-croaking amphibians. Frog familiarity breeds affection, some 92% said they like the frogs.

And 98% of those surveyed are familiar with the cigarette-puffing, Joe Camel cartoon character.

But to know these often-goofy ad images, and to like them, only sometimes translates into trying the products. Conventional wisdom aside, the ads teens like most seem to have only occasional correlation to the tobacco and alcohol products they want.

In fact, the teens surveyed said the ads had greater influence on their desire to smoke or drink in general than on their desire to buy a particular brand.

The survey results come at a critical time. The drumbeat to regulate these ads has never been so loud. With adult Americans smoking less, many parents share a thickening air of suspicion that to protect market share, the tobacco giants are increasingly marketing to kids.

This proved to be a highly effective campaign issue for President Clinton, who in mid-1995 proposed tougher restrictions on the marketing of tobacco products to youngsters. Clinton, after reviewing the results of the USA TODAY study, released a statement saying he remains adamant about restricting the marketing of liquor, beer and particularly tobacco to children.

"Let's face it, people don't think they're affected by the ads. But we know if the ads

signed to stimulate immunity without causing the disease. The live virus is considered more effective and less costly than an injected killed-virus vaccine.

But a panel convened last fall determined that the seven to eight annual cases of polio caused by the oral vaccine was not acceptable, said pediatrician Samuel Katz, Duke University, a former chairman of the federal vaccine panel. Children now should be immunized against polio with two injections by four months of age and then two oral doses of the weakened virus between ages 1 and 6. Since 1980, children had been receiving three doses of oral vaccine by age 2.

The change in policy should eliminate the risk of vaccine-induced polio, the experts said. But it also is expected to increase the cost of polio immunization by \$14.7 million a year and make compliance more difficult.

Please see COVER STORY next page ►

Vaccine caused almost all polio since '80

By Tim Friend
USA TODAY

Nearly all cases of polio since 1980 were caused by the oral polio virus vaccine, prompting the federal government to begin a new strategy of immunization this month, officials said Thursday.

The Centers for Disease Control and Prevention confirmed 133 cases of polio in the USA from 1980 to 1994 and found that 123 were associated with

the administration of the oral vaccine, said epidemiologist Rebecca Prevots of the National Immunization Program.

Of the remaining cases of the crippling disease, six were in children from other countries and all but one of those occurred before 1986, Prevots reported in the federal Morbidity and Mortality Weekly Report. Causes of the other two cases couldn't be determined.

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Rights report hits China; won't affect U.S. policy

By Lee Michael Katz
USA TODAY

Vice President Gore in Beijing within the next two months.

Critics say tough U.S. talk on human rights is rendered meaningless by the rewards of such high-level contacts.

The State Department said China is holding "thousands" of political and religious prisoners and that "all public dissent" was effectively silenced. No dissidents were known to be active at year's end.

Just hours before the release of the critical report, Chinese government spokesman Shen Guo-liang trumpeted the Albright visits as one of "great importance." U.S. officials will not formally confirm her visit, expected in late February. Gore plans to visit Beijing in March.

As a result, U.S. "words and actions ring hollow," said Sidney Jones, Asia director for the group Human Rights Watch. "The United States could do a lot more hard bargaining to show human rights conditions are improved before taking these visits."



Albright: Trip not confirmed

China calls the U.S. criticism "interference" in its internal affairs. The State Department has produced the annual rights report since 1977.

The report also:

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Rights report hits China; won't affect U.S. policy

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The State Department on Wednesday criticized China for "widespread and well documented" human rights abuses. But despite the rhetoric, U.S. officials said a policy of high-level visits and talks with China remain unchanged.

Chinese officials are planning to host both Secretary of State Madeleine Albright and

Vice President Gore in Beijing within the next two months.

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USA TODAY
FRIDAY, JANUARY 31, 1997

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USA TODAY •

FRIDAY, JANUARY 31, 1997

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The survey results come at a critical time. The drumbeat to regulate these ads has never been so loud. With adult Americans smoking less, many parents share a thickening air of suspicion that to protect market share, the tobacco giants are increasingly marketing to kids.

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Please see COVER STORY next page ►

Continued from 1A

didn't work, the tobacco companies would not spend billions of dollars every year to market their products," Clinton wrote. "There is no doubt that the billions of dollars spent on tobacco advertising create a climate of 'friendly familiarity' around tobacco and tobacco use."

Just how "friendly" is that climate? Earlier in January, USA TODAY spent a week talking with teens in four cities about smoking and drinking and the marketing of tobacco and alcohol.

Reporters went to seven middle schools and high schools in inner-city Philadelphia; Henrietta, N.Y., a

suburb of Rochester; Parma, Ohio, a suburb of Cleveland; and Amarillo, Texas.

Students, from sixth-graders to high school seniors, viewed print and TV ads and responded to written questions. More than 100 students at the seven schools spent hours in focus groups talking about the marketing of alcohol and tobacco.

The combined survey and polling results, done in conjunction with the polling firm Gordon S. Black Corp., are among the most comprehensive on the topic by an independent organization.

In a national survey of 50,000 teens taken last year by the University of Michigan, about 28% said they smoked, up from 21% in 1995. And 24% said they drink, up from 20% in 1995.

But why are these numbers rising? USA TODAY offered teen-agers a chance to weigh-in on one of the most vital issues facing society.

Cheap or available

With the notable exception of Marlboro, the cigarette and beer brands teens crave are only sometimes the most heavily advertised. What they want is often what's cheapest. Or simply what's available.

"They'll drink whatever they can get their hands on — advertising or not," says Mary Winner, a 17-year-old 12th-grader at Rush Henrietta Senior High School in Henrietta, N.Y.

Many teens echoed these sentiments. The front-and-center issue isn't what icon or brand is best-loved. For them, it's much more basic. Did dad leave the liquor cabinet open? Is there an unwatched cigarette vending machine at the restaurant down the street?

This is not to say that teens aren't curious about the ads. Many teens interviewed say they often look for Marlboro and Camel ads in *Sports Illustrated* and *Rolling Stone*. About \$1.47 billion was spent for tobacco and alcohol ads in 1995, says Competitive Media Reporting.

USA TODAY's teen survey and rap sessions also discovered that:

► **Marlboro is king.** Marlboro, the world's most-advertised brand, isn't their favorite advertiser but it's by far their favorite brand. In discussion groups with teens in each city, those who smoked overwhelmingly favored Marlboro. Few other brands were mentioned.

"It's not illogical to presume that minors are choosing the same brand that adults are smoking," says Philip Morris spokeswoman Karen Daragan. "But the best way to keep kids away from cigarettes is to keep cigarettes away from kids."

► **Bud frogs rule.** Teens

are infatuated with the Bud frogs. Some 93% of teens surveyed said they like the frogs "very much" or "somewhat." Yet in rap sessions at each school, held with 10 to 15 kids at a time, it quickly became evident that Budweiser is rarely cited as a favorite beer brand.

► **Joe Camel's uncool.**

Teens recognize him even more than the Marlboro Man. And they say his image can influence them to start smoking. But when it comes to brand selection, Joe is often more a target of teen ridicule than adoration. Maura Ellis, a spokeswoman for R.J. Reynolds, which makes Camels, says many teens are familiar with Joe Camel "because he's been the poster-child of almost every anti-smoking campaign."

► **Liquor ads disconnect.**

Teens are drinking hard liquor, but they're hardly concerned about the brands. With the exception of Absolut vodka, only a handful of teens could remember or name a single brand of vodka, gin or scotch that their friends drink.

► **Beer tastes are regional.** There is no single, national beer brand that teens favor. In Cleveland, teens say Busch was the party beer. In Amarillo, Coors Light was king. In Rochester, Labatt's and Molson were cool with kids. And in Philadelphia, St. Ides malt liquor and Old English were tops. Nowhere was Budweiser singled out as the favorite.

Ads as entertainment

Most teens flinch at the slightest implication that they are influenced by the often-seductive imagery of the ads. And they say they have no doubts they are targeted by the makers of cigarettes, beer and hard liquor.

"Old people are dying," says Holly Gordzelik, 18, a 12-grader at Tascosa High School in Amarillo. "They need us to replace them."

This is not to say that teens don't like watching the ads. But they say they watch the ads as entertainment, the same way they watch videos on MTV. For fun.

"I don't think any of my friends would drink Budweiser just because the frogs say Bud-wei-ser," snickered Shae McCutchen, a 17-year-old senior from Amarillo.

1
2

Still, the ads can make smoking and drinking alluring, the teens say. In all 16 beer, hard-liquor and cigarette ads shown, the percentage of teens who said the ads make smoking and drinking more appealing was greater than the percentage who said the ads made them want the product.

As for Smokin' Joe, that's a camel of a different color.

Although almost every student recognized Joe Camel, and nearly half say he makes smoking seem more appealing, teens aren't in love with him. Less than one quarter of the teens surveyed said they actually liked Joe Camel "a lot." Perhaps that's why fewer than two in 10 teens say Joe Camel's image makes them want to try the Camel brand.

Surprising opinions

Teen views on the marketing of tobacco products and alcoholic beverages was consistently surprising:

► **Hard liquor.** A relatively small ad presence for most hard liquor brands has left teens virtually clueless about liquor. Except for Absolut vodka, most teens interviewed were unable to name a single hard liquor brand that they or their friends drink. "I don't remember the brand names. I just remember the proof," says Nick Douthit, a 14-year-old ninth-grader from Amarillo.

That lack of recall could be the strongest argument for those who want to keep liquor ads off TV and radio. Late last year, the Distilled Spirits Council repealed its own 48-year-old, self-imposed ban on broadcast advertising.

► **Beer.** Many teens are especially infatuated with the Budweiser frogs TV spots. "That's the best commercial out there," says Michelle Cordero, 18, a 12th-

grader at Community High School in Philadelphia. "I don't drink. But if I were to drink, and I saw that commercial, I'd be drunk every day. I'm serious. It's just a funny commercial."

But Anheuser-Busch executives insist there is no correlation between the Bud frog ads and what teens drink.

"Awareness of an ad does not cause drinking any more than ignorance causes abstinence," says Francine Katz, vice president of consumer awareness and education.

Teens also are very familiar with the action in a "Tap the Rockies" Coors Light spot that features giant beer drinkers playing touch football in the mountains. "No matter who that ad was aimed at, children watch TV more than older people, so it's the children who it's hitting first," says Cordero.

► **Cigarettes.** Unlike beer ads, tobacco spots have been banned from TV for years. Yet teens still have a familiarity with them. Aside from Marlboro, kids who smoke often favored Newport. Many were familiar with the brand's "Alive with Pleasure" billboards and print ads, including 16-year-old Shenda Bradley, an 11th-

grader from Philadelphia. She readily recited the slogan, unaided.

When Bradley was asked if lighting up a Newport made her feel "alive with pleasure," she replied, "No — relieved of stress."

Clearly, the Marlboro man has left a strong impression on many teens.

"You see the Marlboro man and he looks cool," says 15-year-old Wade Hansford, a ninth-grader from Amarillo. "Maybe a kid sees that and he starts smoking. And he has a girlfriend and she starts to smoke Marlboro because she thinks her boyfriend's cool. So, he thinks he's cool. She thinks he's cool. It just keeps going on and on. That way, everybody's cool."

Coolness has its signposts.

A sign posted outside the main entrance to Amarillo's Tascosa High School very clearly warns what's not cool there. It says: No Smoking.

But just two blocks from the high school campus, a billboard blares a very different message. It's Joe Camel. He's playing the saxophone and looking pretty cool.

Contributing: Dottie Enrico and Tammie Wark.

Student survey: 7 schools in 4 states

To learn about the impact of alcohol and cigarette ads on teens, USA TODAY dispatched a team of reporters and researchers on a four-state, seven-school trip Jan. 7-10. Surveys of 534 students were conducted by the polling firm of Gordon S. Black Corp.

The students, sixth-graders through 12th-graders, were shown 16 ads: six TV commercials for beer, one TV commercial for hard liquor, five print ads for cigarettes and four print ads for hard liquor.

After viewing each ad, the students filled in a questionnaire concerning how often they had seen the ad, how much they liked it, whether they thought it made drinking or smoking more appealing and whether it made them want to try the product. At each school, the survey was followed by a discussion with a small group of students to gain further insights into attitudes and behavior. More than 100 students were interviewed in detail. The schools that participated represent a broad spectrum of socioeconomic, racial and ethnic groups. They were:

- Charles H. Roth Middle School, Henrietta, N.Y.
- Rush-Henrietta Senior High School, Henrietta, N.Y.
- Parma Senior High School, Parma, Ohio
- Greenbriar Junior High School, Parma, Ohio
- Community High School, Philadelphia
- Tascosa High School, Amarillo, Texas
- Houston Middle School, Amarillo, Texas

**AMERICA'S CHALLENGE IN AN AGE OF POSSIBILITY:
FIGHTING TOBACCO USE BY OUR CHILDREN**

February 12, 1996

Today, the President will meet with PTA and community leaders and children who have been active in the fight against tobacco use by teenagers. He will continue to highlight the challenge he made in his State of the Union address to the tobacco industry, to draw the line on selling their products to our children.

"Our first challenge is to cherish our children and strengthen America's families. . . Our administration has taken steps to stop the massive marketing campaigns that appeal to our children. We are simply saying: Market your products to adults, if you wish, but draw the line on children."

- President Clinton, State of the Union Address, January 23,

1996

Too many users, too many costs.

- * Every year, one million children take up smoking, even though it is against the law. Between 1991 and 1994, the percentage of eighth graders who smoke increased 30 percent.
- * Of the 3,000 young people who start smoking every day, 1,000 of them will die as a result.
- * In 1993, the estimated health care costs from smoking-related disease and death was \$50 billion.
- * Smoking is the leading cause of preventable death in the United States. Tobacco products are responsible for more than 400,000 deaths each year due to cancer, respiratory illness, heart disease, and other health problems. Cigarettes kill more Americans each year than AIDS, alcohol, car accidents, murders, suicides, illegal drugs and fires combined.

Giving parents and communities the tools they need. On August 10, 1995, President Clinton proposed a comprehensive and coordinated plan to reduce smoking by children and adolescents by 50 percent. The initiative has been published as a proposed rule of the Food and Drug Administration. It would:

Reduce access by children.

- * Require face-to-face sales and age verification with photo identification;
- * Eliminate free samples and impersonal sales like vending machines and mail orders.
- * **The Synar Regulation.** On January 18, 1996, the Administration issued a final rule, named for its author, the late Mike Synar, designed to ensure that states and territories adopt and enforce laws prohibiting the sale or distribution of tobacco products to children

Limit the appeal of cigarettes to children.

- * Ban outdoor advertising within 1,000 feet of schools and playgrounds;
- * Restrict all other outdoor advertising to black-and-white text only;
- * Ban non-tobacco products such as t-shirts and caps that have cigarette or smokeless tobacco product brand names, logos or symbols;
- * Allow the sponsorship of events only in the corporate name.

A National Center for Tobacco-Free Kids. President Clinton commends today's announcement of the creation of the National Center for Tobacco-Free Kids, a partnership between the Robert Wood Johnson Foundation, the American Cancer Society, the National PTA, the American Heart

Association, the American Academy of Pediatrics, the American Lung Association and the American Medical Association. The Center aims to focus the nation's attention and action on reducing tobacco use among children.

**AMERICA'S CHALLENGE IN AN AGE OF POSSIBILITY:
FIGHTING TOBACCO USE BY OUR CHILDREN**
May 7, 1996

Protecting our children from tobacco. Today, the President will travel to New Jersey to participate in a "Kick Butts Day" program. The day is a multi-city effort in which children and adults in their communities survey and discuss the tobacco companies' marketing which appeals to young people. The President will hear about their findings and reiterate his commitment to protect children from the early use of cigarettes and smokeless tobacco, and to ensure them the healthy future they deserve.

"Our first challenge is to cherish our children and strengthen America's families. . . Our administration has taken steps to stop the massive marketing campaigns that appeal to our children. We are simply saying: Market your products to adults, if you wish, but draw the line on children."

- President Clinton, State of the Union Address, January 23, 1996

Taking positive steps as partners. National Kick Butts Day highlights the growing consensus in America that tobacco advertising should not be targeted to our young people. The private sector, the public sector and ordinary citizens are demanding that tobacco companies come on board to meet their moral and legal responsibility to prevent the sale of cigarettes to minors. President Clinton cited the following examples of this growing national movement:

- * Companies like 3M, who have decided to voluntarily end their billboard business with tobacco companies;
- * Supermarket chains like A&P, whose CEO is going to ask his board to eliminate vending machines;
- * Prominent athletes, churches, parents and young people across America are also joining the effort.

Giving parents and communities the tools they need. On August 10, 1995, President Clinton announced FDA's proposed comprehensive and coordinated plan to reduce smoking by children and adolescents by 50 percent. The initiative has been published as a proposed rule of the Food and Drug Administration. If adopted, it would:

Reduce access by children.

- * Require face-to-face sales and age verification with photo identification;
- * Eliminate free samples and impersonal sales like vending machines and mail orders.

Limit the appeal of cigarettes to children.

- * Ban outdoor advertising within 1,000 feet of schools and playgrounds;
- * Restrict all other outdoor advertising to black-and-white text only;
- * Ban non-tobacco products such as t-shirts and caps that have cigarette or smokeless tobacco product brand names, logos or symbols;
- * Allow the sponsorship of events only in the corporate name.

The Synar Regulation. On January 18, 1996, the Administration issued a final rule, named for its author, the late Mike Synar, designed to ensure that states and territories adopt and enforce laws prohibiting the sale or distribution of tobacco products to children.

Too many users, too many costs.

- * Every year, one million children take up smoking, even though it is against the law. Between 1991 and 1994, the percentage of eighth graders who smoke increased 30 percent.
- * Of the 3,000 young people who start smoking every day, 1,000 of them will die as a result.
- * In 1993, the estimated health care costs from smoking-related disease and death was \$50 billion.

- * Smoking is the leading cause of preventable death in the United States. Tobacco products are responsible for more than 400,000 deaths each year due to cancer, respiratory illness, heart disease, and other health problems. Cigarettes kill more Americans each year than AIDS, alcohol, car accidents, murders, suicides, illegal drugs and fires combined.

FACT SHEET ON CLINTON TOBACCO INITIATIVES

The Problem: Public health data shows:

- Smoking by young people is rising sharply. Between 1991 and 1994, the percentage of eighth graders who smoke increased 30 percent.
- More than 80 percent of adult smokers have tried smoking by 18, and more than half of them have already become regular smokers by that age. Studies show that if people do not begin to smoke as teenagers or children, it is unlikely they will ever do so.
- In 1993, the estimated health care costs from smoking-related disease and death was \$50 billion.
- Each and every day, another 3,000 young people become regular smokers, and nearly 1,000 of them will eventually die as a result of their smoking. Smokers who die as a result of smoking would have lived on average 12 to 15 years longer if they had not smoked.
- Children tend to vastly underestimate the likelihood that they will become addicted to tobacco. Although only 5 percent of daily smokers surveyed in high school said they would definitely be smoking five years later, close to 75 percent were smoking 7 to 9 years later. A survey conducted in 1992 found that approximately two-thirds of adolescents who smoked said they wanted to quit and 70 percent said they would not start smoking if they could make that choice again.
- Smoking is the leading cause of preventable death in the US. Tobacco products are responsible for more than 400,000 deaths each year due to cancer, respiratory illness, heart disease, and other health problems. Cigarettes kill more Americans each year than AIDS, alcohol, car accidents, murders, suicides, illegal drugs and fires combined.

The Children's Tobacco Initiative

On August 10, 1995, President Clinton announced the nation's first comprehensive campaign to reduce children's use of tobacco products. Under the children's tobacco initiative, children will not be able to buy cigarettes, and smokeless tobacco products and promotional and advertising gimmicks appealing to children will be limited. The President's goal is to reduce smoking by children by 50 percent within seven years after the plan goes into effect.

The measures are aimed at assuring that only adults have access to tobacco products, as under current law, and to limit the reach of advertisements and promotions that have encouraged children to begin using cigarettes and smokeless tobacco products. The ambitious initiative will allow parents who are already trying to teach their children the risks of smoking a better chance for success.

The proposals to reduce access by children include: prohibiting the sale of tobacco products

to anyone under age 18; requiring face to face sales; requiring age verification with photo identification; and eliminating free samples and impersonal sales like vending machines, mail order sales and self-service displays.

The proposals to limit the appeal of cigarettes and smokeless tobacco include: banning outdoor advertising within 1,000 feet of schools and playgrounds; restricting all other outdoor advertising to black-and-white text only; restricting advertising in publications with significant children readership to black-and-white text only; banning non-tobacco products such as t-shirts and caps that have cigarette or smokeless tobacco product brand names, logos, or symbols, and eliminating the exchange of non-tobacco products for proof of purchase of tobacco products; and allowing sponsorship of events only in the corporate name.

Also proposed is a new educational campaign aimed at countering the industry's multi-billion dollar annual promotional and advertising expenditures and at teaching children the real health risks of these products. This campaign will be funded by the industry.

The Administration's initiative has been published as a proposed rule of the Food and Drug Administration, and the FDA is currently reviewing public comments on the proposal.

The Synar Regulation

On January 18, 1996, the Administration issued a final rule designed to ensure that states and territories adopt and enforce laws prohibiting the sale or distribution of tobacco products to children.

The Synar regulation provides guidance to the states on how to comply with the Synar Amendment, named for its author, the late Mike Synar, former Congressman from Oklahoma. The amendment was enacted in 1992 as part of the Public Health Service Act and requires states to have and to enforce laws banning the sale and distribution of tobacco products to people under 18.

The Synar regulation requires states and territories to enforce their youth access laws through such methods as random spot checks of retail establishments. It would also require states to designate an office or agency for coordinating compliance activities. States would be required to file annual progress reports and could suffer financial penalties through reductions in substance-abuse block grants for failing to achieve agreed-upon goals.

While all states currently have such laws, enforcement has been inconsistent; in 1991, an estimated 255 million cigarette packs were sold illegally to minors, according to the American Journal of Public Health. And in the 1995 Monitoring the Future Survey, more than 90 percent of high school tenth graders surveyed said it was "fairly easy" or "very easy" to obtain cigarettes.

Together, the Synar regulation and the proposed FDA regulations would work to achieve President Clinton's goal of reducing children's use of tobacco products by 50 percent within seven years.

Talking Points on Philip Morris Announcement

We are pleased that Philip Morris recognizes that action needs to be taken to protect our children from the pediatric disease of smoking.

From the day he announced the FDA's proposal, the President has said he would be open to a legislative solution to the crucial public health problem: how to keep kids from smoking and using chewing tobacco. But he made clear that any legislative approach that he would support would have to be as strong, and effective as the FDA's proposals. That's the bottom line, and the standard by which the President would evaluate any legislative proposals. The Philip Morris proposal falls short of that mark. We encourage Philip Morris to continue moving forward to meet the President's standard.

If asked whether Leon met with Philip Morris about the proposal:

Philip Morris asked for a meeting with the Chief of Staff to lay out its proposal. Mr. Panetta agreed to the meeting. He reiterated that any legislative approach that the President would support would have to be as strong and effective as the FDA's proposals. After reviewing their proposal, he told them that it wasn't as comprehensive and effective as the FDA's proposal. But he welcomed their effort to try to move forward on this issue.

2 Tobacco Giants Seek Anti-Smoking Laws

By GLENN COLLINS

Seeking an alternative to Federal regulation of the nicotine in tobacco as an addictive drug, two tobacco companies proposed yesterday that Congress adopt sweeping laws to reduce teen-age smoking by banning vending sales and restricting advertisements and promotions.

But the companies were rebuffed by Michael D. McCurry, the White House spokesman, who said the companies' unexpected proposal "falls a little bit short" of the President's call to curb teen-age smoking. And some anti-tobacco organizations dismissed the companies' proposal as a public-relations stunt.

The two companies — Philip Morris U.S.A., the tobacco unit of the Philip Morris Companies, the nation's largest cigarette maker, and the United States Tobacco Company, the nation's largest purveyor of chewing tobacco and snuff — proposed a ban on vending-machine cigarette sales, single-cigarette sales and promotional giveaways, as well as a ban on transit advertising of tobacco products and restrictions on billboard and stadium advertising and sports-event sponsorships.

Philip Morris and United States Tobacco also proposed a ban on the imprinting of tobacco-product logos on merchandise like hats, clothing and gym bags. They also proposed that the tobacco industry spend \$250 million over the next five years to enforce restrictions on teen-age smoking. The companies' proposals would not affect their international business.

Steve Parrish, a spokesman for Philip Morris, termed the proposal "unprecedented and far-reaching," adding that the companies "want to make it impossible for anyone to obtain any tobacco product from a manufacturer or retailer without a face-to-face transaction where proof of age can be checked."

But Mr. Parrish said that the tobacco companies would support such legislation only if the Food and Drug Administration withdrew its proposals to regulate the sale of tobacco. He added that five tobacco companies would continue to sue the F.D.A. in Federal court to block the proposed regulations.

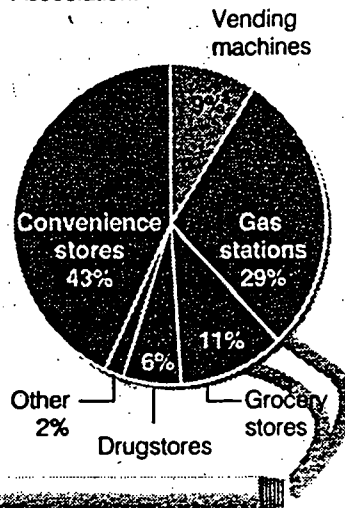
The R. J. Reynolds Tobacco Company and the Brown & Williamson Tobacco Corporation, said they would reserve comment on yesterday's proposal until they could give it further study. The Lorillard Tobacco Company, a unit of the Loews Corporation, said it supported many of the suggestions from Philip Morris and United States Tobacco.

"This announcement is obviously a pre-emptive strike against the

THE NUMBERS

Buying Cigarettes

Where teen-agers, 13 to 17, buy cigarettes, according to a survey by the National Automatic Merchandising Association.



Of the 24.25 billion packs of cigarettes bought in 1994, about 915 million came from vending machines, according to Vending Times's annual survey. Some 400,000 machines carried cigarettes and the average machine sold 44 packs a week.

The New York Times

F.D.A.," said Richard A. Daynard, chairman of the Tobacco Products Liability Project at Northeastern University School of Law in Boston, a nonprofit anti-smoking group. "They

The tobacco industry makes an offer and promptly draws criticism.

want to make sure that the F.D.A. has nothing to do with regulating them."

Mr. Parrish denied that the companies were attempting to avoid more stringent anti-tobacco restrictions. But critics of the tobacco industry said that under the companies' proposal, cigarette brand images, such as Joe Camel and the Marlboro Man, would be unaffected.

A move that opponents call a pre-emptive strike against the F.D.A.

Under the Federal agency's plan, much advertising would be limited to black-and-white advertisements of text and not graphics. The tobacco companies have contended that such a limitation would infringe on their right of free speech.

The companies' proposal would also preclude any F.D.A. role in enforcement of tobacco regulations. And unlike the agency's proposal, the tobacco companies' proposal would not ban tobacco brand-name sponsorship in rodeos and motor sports.

Ellen Merlo, a spokeswoman for the Philip Morris Companies, said the company would continue its Marlboro Gear program, "offering gifts for points, but without the brand names," she said.

President Clinton said last summer that he welcomed a legislative solution to teen-age smoking that is as comprehensive and effective as the F.D.A.'s regulation plan.

"The Philip Morris proposal falls short of that mark," said Mitchell R. Zeller, F.D.A. Deputy Associate Commissioner of policy.

Supporters of the tobacco industry, like Representative Thomas J. Bliley Jr., Republican of Virginia, said that the companies' proposal had "little chance" of passage in Congress because Democrats had "already promised to filibuster any legislation that would preclude the F.D.A. from exercising jurisdiction over tobacco," he said.

But Henry A. Waxman, Democrat of California, one of the tobacco industry's leading opponents in Congress, said, "I commend Philip Morris for at least suggesting a legislative proposal," adding that he would "look forward to talking with them about enacting a bill this year."

About \$2 billion worth of tobacco products were sold through 400,000 vending machines in 1994, or about 915 million packages of cigarettes, said Victor Lavay, publisher of Vending Times, a trade magazine.

Sheldon Silver, of the National Automatic Merchandising Association, said: "We oppose the ban on cigarette vending machines because it will not significantly reduce teen smoking." He cited a study showing that more than 72 percent of teen-agers buy cigarettes in convenience stores and gas stations.

HHS FACT SHEET

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

August 10, 1995

Contact: FDA Press Office
(301) 443-1130

CHILDREN AND TOBACCO: THE FACTS

The Clinton Administration is proposing a comprehensive and coordinated set of measures to significantly reduce the number of children and adolescents who become addicted to nicotine in cigarettes and smokeless tobacco (snuff and chewing tobacco). Children are becoming addicted to these products, with more than 80 percent of smokers beginning to smoke by age 18.

Smoking is the leading preventable cause of death in the United States, and health care costs associated with smoking soared to more than \$50 billion in 1993, according to the Centers for Disease Control. While the proposed measures will continue to maintain the legal status of cigarettes and smokeless tobacco products for adults, they will reduce the easy access and strong appeal for children.

Preventing children from smoking is key to reducing the deadly toll of smoking. The Clinton Administration's plan will help parents provide their children with an environment in which to grow up healthy.

A Pediatric Disease

Children are becoming addicted to nicotine. The average teenage smoker starts at 14 1/2 years old and becomes a daily smoker before age 18. More than 80 percent of all adult smokers had tried smoking by their 18th birthday and more than half of them had already become regular smokers by that age. Studies show that if people do not begin to smoke as teenagers or children, it is unlikely they will ever do so.

Each and every day, another 3,000 young people become regular smokers, and nearly 1,000 of them will eventually die as a result of their smoking. Currently, more than 3 million children and adolescents smoke cigarettes, and 1 million adolescent boys currently use smokeless tobacco. Smoking by young people is rising sharply. Between 1991 and 1994, the percentage of eighth graders who smoke increased 30 percent, and the percentage of tenth graders who smoke increased 22 percent.

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Appealing to Children

Advertising and promotional activities can greatly influence a young person's decision to smoke or use smokeless tobacco products. Awareness of tobacco products and messages is very high among even the youngest children. Studies show that 30 percent of 3-year-olds and 91 percent of 6-year-olds could identify "Joe Camel" as a symbol for smoking. The Centers for Disease Control recently reported that 86 percent of underage smokers who purchase their own cigarettes purchase one of the three most heavily advertised brands: Marlboro, Camel and Newport.

- o Tobacco products are among the most heavily advertised products in the United States. In 1993, the tobacco industry spent \$6.2 billion on advertising and promoting cigarettes and smokeless tobacco. Tobacco advertising expenditures have increased more than 1,500 percent between 1970 (the year before television and radio advertising was banned) and 1992.
- o Promotion of tobacco products through non-tobacco items such as t-shirts, hats and gym bags and through sponsorship of events is reaching children. A 1992 Gallup Survey found that half of adolescent smokers and one quarter of adolescents who do not smoke owned at least one tobacco promotional item such as a tee-shirt, cap, sporting good, or lighter. Another report found that one out of four 12- and 13-year-olds own one of these items. Used or worn by young people, these become "walking billboards," promoting these products in schools and other locations where tobacco advertising is usually prohibited. Sponsorship of events such as tennis tournaments, car races, and rodeos associate tobacco products with excitement and glamour, and provide a way for tobacco brands to be advertised on television despite the broadcast advertising ban.

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HHS FACT SHEET

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

August 10, 1995

Contact: FDA Press Office
(301) 443-1130

CHILDREN AND TOBACCO: THE PROBLEM

Easy Access

Despite state laws prohibiting the sale of tobacco to minors, children can easily buy these products. One study estimated that teenagers annually consume 516 million packs of cigarettes and 26 million containers of chewing tobacco. A review of 13 studies of over-the-counter sales found that on average, children and adolescents were able to successfully buy tobacco products 67 percent of the time.

- o Vending machines are a primary source of tobacco products for young smokers. A study by the vending machine industry found that 22 percent of 13-year-old smokers use vending machines compared with 2 percent of 17-year-old smokers. The 1994 Surgeon General's Report found that young people were able to buy cigarettes in vending machines an average of 88 percent of the time.
- o Mail-order sales provide no sure way of verifying age. Current industry practice only asks the consumer to provide a birth date or check box to verify age.
- o Self-service displays allow children to easily obtain tobacco products. The Institute of Medicine, in its landmark 1994 report, "Growing Up Tobacco Free," concluded that placing tobacco products "out of reach reinforces the message that tobacco products are not in the same class as candy or potato chips."
- o Free samples are obtained by children, including those in elementary school, despite industry code prohibiting distribution to anyone under 21. Free samples occur on street corners, at shopping malls and sporting events. A New Jersey survey found that one-third of high school students who were smokers or ex-smokers reported receiving free samples before age 16.

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- o Prohibit brand name sponsorship of sporting or entertainment events, but permit it in the corporate name.
- o Require industry to fund (\$150 million annually) a public education campaign to prevent kids from smoking.

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HHS FACT SHEET

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

August 10, 1995

Contact: FDA Press Office
(301) 443-1130

CHILDREN AND TOBACCO: THE PROPOSAL

The Clinton Administration is proposing a comprehensive and coordinated plan to reduce smoking by children and adolescents by 50 percent. It builds on previous actions taken by Congress and others such as the ban on television advertising and state laws to prohibit the sale or use of tobacco by children. It follows recommendations by the American Medical Association and the Institute of Medicine. Experts have consistently recommended that the keys to achieving the goal are: reducing access and limiting the appeal for children. This ambitious initiative accomplishes that objective, while preserving the availability of tobacco products for adults. The proposals announced today include:

Reducing Easy Access by Children

- o Require age verification and face-to-face sale and eliminate mail order sales, vending machines, free samples, self-service displays, and sale of single cigarettes ("loosies") and packages with fewer than 20 cigarettes ("kiddie packs").

Reducing Appeal to Children

- o Ban outdoor advertising within 1,000 feet of schools and playgrounds. Permit black-and-white text only advertising for all other outdoor advertising, including billboards, signs inside and outside of buses, and all point-of-sale advertising.
- o Permit black-and-white text only advertising in publications with significant youth readership (under 18). (Significant readership means more than 15 percent or more than 2 million. No restrictions on print advertising below these thresholds).
- o Prohibit sale or giveaway of products like caps or gym bags that carry cigarette or smokeless tobacco product brand names or logos. Prohibit exchange of non-tobacco products for proof of purchase of tobacco products.

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Children tend to vastly underestimate the likelihood that they will become addicted to these products. Although only 5 percent of daily smokers surveyed in high school said they would definitely be smoking five years later, close to 75 percent were smoking 7 to 9 years later. A survey conducted in 1992 found that approximately two-thirds of adolescents who smoked said they wanted to quit and 70 percent said they would not start smoking if they could make that choice again.

Smoking: Leading Cause of Avoidable, Premature Death

Tobacco use takes enormous, deadly toll each year. Tobacco products are responsible for more than 400,000 deaths each year due to cancer, respiratory illness, heart disease, and other health problems. Cigarettes kill more Americans each year than AIDS, alcohol, car accidents, murders, suicides, illegal drugs and fires combined. Smokers who die as a result of smoking would have lived on average 12 to 15 years longer if they had not smoked.

The health care costs associated with tobacco use are rising. The Centers for Disease Control estimated that in 1993 the health care costs associated with smoking totalled \$50 billion: \$26.9 billion for hospital costs; \$15.5 billion for doctors; \$4.9 billion in nursing home costs; \$1.8 billion for prescription drugs and \$900 million for home-health care expenditures. The Office of Technology Assessment calculated the social costs attributable to smoking in 1990 at \$68 billion. That calculation was based on \$20.8 billion in direct health care costs and \$6.9 billion in lost productivity from disabilities and \$40.3 billion in lost productivity from premature deaths.

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HHS FACT SHEET

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

August 10, 1995

Contact: FDA Press Office
(301) 443-1130

CHILDREN AND TOBACCO: WHAT OTHERS SAY

"I figure if it's really so bad for you, they wouldn't be selling them everywhere. I mean, you walk into the Stop 'N' Go, and there's a whole wall of them right up front at the cash register. If they were really that bad for you, they'd make them less accessible."

-- Brian Grindele, 18
The New York Times, July 30, 1995

"Given all that we know, the scientific case for protecting children from tobacco is indisputable. The moral imperative to act is imperative....This is not a Democratic or a Republican issue. It is a bipartisan, pro-child, pro-family, pro-health issue."

-- President Jimmy Carter
USA Today, August 3, 1995

"The tobacco industry continues to insist that smoking is a simple matter of individual rights and adult choice. If that were true, I would be on their side. But we're not talking about adults. We're talking about keeping an addictive and lethal substance out of the hands of children. Neither the FDA nor anyone else is talking about prohibiting adults from smoking."

-- Former U.S. Sen. Barry Goldwater
Wall Street Journal, August 8, 1995

"The American Medical Association reminds physicians, the public, and politicians that the damning evidence against tobacco makes opposition to its use a pressing, nonpartisan public health issue."

-- Editorial
Journal of the American Medical Association
July 19, 1995

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"We believe that current tobacco regulations, limited primarily to a ban on television advertising and the promotion of warning labels on packages, are insufficient in protecting America's children. The FDA should have authority to control tobacco by placing new limits on tobacco advertising, creating stricter licensing regulations for vendors, and banning cigarette vending machines."

-- American Public Health Association
Letter to President Clinton from APHA
July 13, 1995

"What is most significant about teens and smoking, however, is that, from all indications, smoking is an addiction that is typically initiated during the teenage years or not at all. For the great majority of smokers, this addiction begins before they are old enough to purchase tobacco lawfully. In fact, 75 percent of all adult smokers report that they became addicted to tobacco before they were 18 years old. Very few smokers take up smoking for the first time as adults. If youth access can be controlled effectively, and the decision whether to smoke can be delayed until adulthood, then, over time, smoking will be greatly reduced as a major addiction in our society."

-- "No Sale: Youth, Tobacco and Responsible
Retailing"
Working Group of State Attorneys General
December, 1994

"The nation must commit itself to a vigorous public health initiative in tobacco control....The nation cannot reasonably expect to eliminate tobacco-related disease and death by 2010. However, by putting a youth-centered preventions strategy at the center of tobacco control efforts, and by implementing the initiatives proposed (to that end) in this report, the nation can take a firm and resolute step on that path."

-- "Growing Up Tobacco Free"
Institute of Medicine, September, 1994

"The concept -- pediatric disease -- qualifies as an epiphany, given the acknowledged authority of society over a minor. He/she has to go to school, has to wait until a certain age before being allowed to drive, to vote, to drink beer. It yields no substantial libertarian ground to add to the list enforcement mechanisms designed to dissuade the 15-year-old from taking up a habit that brings on premature and painful death."

-- William F. Buckley Jr.
Syndicated columnist, March, 1995

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"... from a public-health standpoint, keeping kids away from cigarettes is the single most effective way to fight the nation's leading preventable cause of death."

-- "Hooked on Tobacco: The Teen Epidemic"
Consumer Reports, March 1995

Further Reading:

"The Global Tobacco Epidemic"
Scientific American, May, 1995

"The Nicotine Connection"
Chemical and Engineering News, November 28, 1995

"Hooked on Tobacco: The Teen Epidemic"
Consumer Reports, March, 1995

"Nicotine Addiction in Young People"
The New England Journal of Medicine, July 20, 1995

Hyman

PRESIDENT CLINTON REMARKS BEFORE ROUNDTABLE DISCUSSION ON
CORPORATE RESPONSIBILITY GEORGETOWN UNIVERSITY WASHINGTON, DC 11:35 A.M. EDT
THURSDAY, MAY 16, 1996
Z-16-03 page# 1

dest=usag,tobacco,hlth,fda,sw,wh
data

These are achieving good social ends, as well as good ends within the workplace.

I want to say a special word of thanks to the entertainment companies that work with us and that are now hard at work in developing their own rating systems for television programs, for violence and other content that may be inappropriate for children -- no government involvement at all, except our agreement to work with them in the passage of the law that requires the V-chip to go into the television.

These are very encouraging things.

We got some indication yesterday that we may even wind up with an agreement with the private sector in this effort that we've been so intensely involved in to try to curb teenage smoking, when Philip Morris and the U.S Tobacco Company indicated that they would agree to legislation to limit sales of tobacco to children and to reduce advertising of tobacco that affects the nation's children, and I want to thank them for that.

I have to say, in all candor, I believe we should do more, because under the proposal, kids of this country would still be confronted with Joe Camel and the Marlboro Man on billboards, in stores and all the magazines. And we know 3,000 children start smoking every day, and 1,000 of them are going to die early because of it.

So I don't think it's enough, but I do believe that it's an indication that there may be some way that we can agree on legislation to do this. If all the tobacco companies will voluntarily accept legislation containing the limits that will be as effective as what we propose, I will say, again, we believe it's better to have the companies come forward and ask for legislation, and the FDA has made perfectly clear that they will stop their efforts to impose regulations if we can have a joint agreement on a legislative solution. These are the kinds of things that I want to do more of in dealing with the larger problems of society.

But to come back to the main point, the workplace itself has to produce a profit, has to produce a vibrant free-enterprise system for America, and what the relationships are in this new economy between employers and employees will have a great deal to do with that.

The business leaders who came from all over this country today to