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The report is provided in both a classified and unclassified form.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Jesse Helms, chairman, and Joseph R. Biden, Jr., ranking member, Senate Committee on Foreign Relations; Benjamin A. Gilman, chairman, and Lee H. Hamilton, ranking member, House Committee on International Relations. This letter was released by the Office of the Press Secretary on June 19.

Remarks Prior to a Meeting With the Economic Team and an Exchange With Reporters

June 19, 1998

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

Tobacco Legislation

Let me also make a few brief remarks on another obligation that we face, that I am still determined to see through, and that is our obligation to the public health of our children and to protect them from the dangers of tobacco. We have a chance, as all the surveys show, to save about a million lives a year if we do the right thing on reducing childhood smoking. For 6 months we have worked hard and in good faith to meet all legitimate objections to the legislation and to join together the priorities of both parties.

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

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

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

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

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

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

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

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

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

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

Q. You're against a slimmed-down bill?

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

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

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

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

Japanese Economy

Q. With regard to Japan, Mr. President, did Prime Minister Hashimoto give you any schedule for carrying out the reforms he pledged? And do you think it's important that they act before parliamentary elections in 3 weeks?

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

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

Relations With China

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

The President. I'm glad you put the last phrase in there so I—[*laughter*]—I never want to disagree with Mr. McCurry.

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

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

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

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

And once in a while it works when you've got—in certain specific cases—I mean, the trade sanctions worked in South Africa after many years because everybody supported them. And they helped us in Bosnia because everybody supported them. And they helped us in Iraq because it had the U.N. behind it. But here's a case where I think we've got far more to gain with a constructive engagement with China. It's a very great country with enormous potential, that has cooperated with us in many areas to make the world a safer place in the last few years. And we have now found a forum and a way in which we can honorably express our disagreements and believe we can make some progress on. This is the last time to be making a U-turn and going back to a policy we know won't work when we've got a policy that is working. We need patience and discipline and determination to stay with what we're doing.

General Motors Strike

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

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

NOTE: The President spoke at approximately 10:40 a.m. in the Cabinet Room at the White House. In his remarks, he referred to Prime Minister Ryutaro Hashimoto of Japan. A tape was not available for verification of the content of these remarks.

Memorandum on Assistance to the Korean Peninsula Energy Development Organization

June 19, 1998

Presidential Determination No. 98–31

Memorandum for the Secretary of State

Subject: Presidential Determination on U.S. Assistance to the Korean Peninsula Energy Development Organization (KEDO)

Pursuant to the authority vested in me by section 614(a)(1) of the Foreign Assistance Act of 1961, as amended, 22 U.S.C. 2364(a)(1) (the ''Act''), I hereby determine that it is important to the security interests of the United States to furnish up to $5 million in funds made available under Chapter IV, Part II of the Act for a U.S. contribution to KEDO without regard to any provision of law within the scope of section 614(a)(1). I hereby authorize this contribution.

You are hereby authorized and directed to transmit this determination to the Congress and to arrange for its publication in the *Federal Register*.

William J. Clinton

Message to the Senate Transmitting the Estonia-United States Legal Assistance Treaty With Documentation

June 19, 1998

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty Between the Government of the United States of America and the Government of the Republic of Estonia on Mutual Legal Assistance in Criminal Matters, signed at Washington on April 2, 1998. I transmit also, for the information of the Senate, the report of the Department of State with respect to the Treaty.

The Treaty is one of a series of modern mutual legal assistance treaties being negotiated by the United States in order to counter criminal activity more effectively. The Treaty should be an effective tool to assist in the prosecution of a wide variety of crimes, including ''white-collar'' crime and drug-trafficking offenses. The Treaty is self-executing.

The Treaty provides for a broad range of cooperation in criminal matters. Mutual assistance available under the Treaty includes: taking the testimony or statements of persons; providing documents, records, and articles of evidence; locating or identifying persons or items; serving documents; transferring persons in custody for testimony or other purposes; executing requests for searches and seizures; assisting in proceedings related to immobilization and forfeiture of assets, restitution, and collection of fines; and rendering any other form of assistance not prohibited by the laws of the Requested State.

I recommend that the Senate give early and favorable consideration to the Treaty and give its advice and consent to ratification.

William J. Clinton

The White House,
June 19, 1998.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

June 13

In the morning, the President attended a reception in the Rose Garden Arena at Portland State University in Portland, OR.

In the afternoon, the President traveled to Springfield, OR. Later, he traveled to Los Angeles, CA, arriving in the evening.

June 14

In the morning, the President and Hillary Clinton departed for Washington, DC, arriving in the early evening.

June 15

In the afternoon, the President had a telephone conversation with President Boris Yeltsin of Russia concerning the situation in Kosovo.