

**NLWJC - Kagan**

**DPC - Box 044 - Folder 004**

**Tobacco-Settlement: Erskine  
Speech**

**CHIEF OF STAFF ERSKINE BOWLES  
TALKING POINTS FOR TOBACCO SPEECH  
March 30, 1998**

**Thank you Mike Barnes for that warm introduction.**

**As many of you know, I am not generally the Administration's spokesperson on issues like tobacco. But I am here today, not only as the Chief of Staff of this Administration, but as a businessman, as a North Carolinian, and as a parent, to talk to you about the President's plan to protect our children from tobacco.**

**Consider these facts:**

- Smoking kills 430,000 people every year -- it kills more people than AIDS, alcohol, car accidents, murders, suicides, drugs and fires combined. Smoking is still by far the largest preventable cause of premature death in the United States.
- Nearly 90% of smokers started smoking before they turned 18.

- Nearly half of these teen smokers think they will not be smoking five years after starting -- yet only one in five actually manages to quit.
- Every day, 3,000 young people will become regular smokers, and 1,000 will die sooner as a result.

**At the same time, multi-million dollar marketing campaigns have been designed to get our children to light their first cigarettes.**

- In the past months, new documents have come to light that conclusively prove that tobacco companies aimed to sell their deadly products to children as young as 12.
- These documents are a shocking reminder that our children are under siege by a deadly and powerful enemy -- and it is up to us to protect our children.

**As Chief of Staff, I can tell you that protecting our children from the threat of tobacco is right at the top of the President's agenda -- and this administration is fully committed to working with the bipartisan leadership in Congress to achieve this goal.**

- This is not a matter of politics --- it is a matter of priorities. Many Members of Congress from both parties have shown enormous leadership on this most important issue.
- Congressman Waxman has been in the forefront of this issue for years -- providing the powerful leadership it took to bring us to the critical point we have reached today.
- Congressman Bliley has recently done the American people a great service by getting thousands of pages of documents from the tobacco companies posted on the Internet so all the world can see how the tobacco companies have gone after our children.

- Congressman Fazio and Senators Conrad, Harkin, and Chafee, have worked long and hard to introduce tobacco legislation that this Administration can support.
- Senator McCain has provided great leadership in the Commerce Committee to draft a bipartisan bill that will move us significantly closer to enacting comprehensive tobacco legislation. Everyone knows the difficulty of putting together legislation that is so large and complex, but Senator McCain has done so in a way that has been as open and inclusive as it has been efficient and productive.
- Senator McCain will most likely release his bill later today, and we will need to review it in detail before making final judgement.
- Based on what we have seen and heard, I will say this today: We expect to see a bill from Senator McCain that will lay a strong foundation for further action, but also has room for improvement.

**THE AREAS THAT NEED FURTHER WORK ARE CRITICALLY IMPORTANT:**

- For example, we do not believe the McCain bill will impose strong enough lookback penalties on companies that continue selling tobacco to our children. *Reducing youth smoking is our bottom line and we must make it the industries' bottom line.*
- We also anticipate seeing some gaps in the bill: the McCain bill does not try to comprehensively address the question of how best to use tobacco revenues to protect the public health and to help our children.
- Unless we are imposing tough penalties on the tobacco companies and doing everything in our power to reduce youth smoking, this Administration will not consider proposals to give the tobacco companies protection from liability. As we have said many times, reasonable limits on liability will not be a deal breaker in a bill that meets all of the president's principles, but first, we have to get that kind of bill.

**SENATOR MCCAIN'S BILL DOES, HOWEVER CONTAIN  
SOME NOTABLE STEPS FORWARD:**

- We believe the McCain bill will make significant inroads on youth smoking by substantially increasing the price of a pack of cigarettes.
- We believe the McCain bill will also give the FDA the full authority it needs to regulate tobacco products, including the authority to restrict both the advertising aimed at young people and their access to tobacco.
- And the McCain Bill is also expected to contain a strong plan to protect tobacco farmers and their communities.
- We look forward to working with Senator McCain and others in the Commerce Committee and the full Senate to strengthen this bill and make it an even more effective instrument to reduce youth smoking.

**As you know, President Clinton has proposed a comprehensive plan that he believes -- and experience shows -- is the best way to stop young Americans from smoking before they start. We are pleased that the McCain Bill will likely include many of the elements of the President's plan, and we will work hard to see that the McCain Bill is improved to meet all of the President's goals:**

**The President's plan would:**

- Raise the price of cigarettes by up to \$1.10 a pack over 5 years and \$1.50 a pack over the next ten years, and impose tough penalties on companies that continue to sell to kids;
- Affirm the FDA's full authority to regulate tobacco products;
- Get companies out of the business of marketing and selling tobacco to minors.
- Promote public health research and public health goals; and
- Protect our tobacco farmers and their communities.



**The Treasury Department has found that the President's proposal to stop teenage smoking will save 1 million lives over the next five years.**

- Last week, Vice President Gore announced that new estimates show that our proposal would have major effects on youth smoking in every state, with reductions ranging from 33% in Washington State to 51% in Kentucky.
- For every dime added to the price of cigarettes over a 5 year period, up to 270,000 fewer teenagers will begin smoking and more than 90,000 premature deaths will be avoided.
- Price increases alone are projected to reduce teenage smoking over the next 5 years by 29%. Youth access and marketing restrictions in the President's plan are projected to reduce teenage smoking by an additional 11%.

- The combination of the price increase called for in the President's plan plus the tighter restrictions on youth access and marketing, will reduce the number of youths smoking by 3 million between now and 2003 -- and most importantly help us avoid approximately 1 million premature deaths.

**The Tobacco companies themselves must also be part of the solution.**

- As the President has said, advertising aimed at adults is legal, but tobacco companies must draw the line at our children.
- Our proposal requires tobacco companies to help establish smoking cessation programs for adult smokers, and to launch public education campaigns aimed at children to keep them from smoking in the first place.

**The heavy human cost of smoking to our families and communities is tragic -- and as a businessman, I can tell you that the economic cost to our society is extraordinarily high.**

- Smoking related illness costs approximately \$60 billion every year -- that's more than the federal government spends on education, child care, and medical research combined.
- Smoking during pregnancy results in 2,500 fetal deaths every year, and costs \$4 billion per year -- this amount is close to double what we spend on cancer research each year.
- Smokers die earlier and have to retire sooner -- and this is estimated to cost our economy as much as \$80 billion every year in lost output, lost productivity, and lost wages.

**These costs rob our economy and cheat the American people out of their hard-earned tax dollars. But if we pass the President's plan, we will take the first important steps to reducing these costs, increasing productivity, and most importantly, saving lives.**

**We know that this plan will be good for America -- and as a North Carolinian -- born and raised in tobacco country -- I can tell you that we must also make sure that we treat our tobacco farmers fairly.**

- **The President has made protecting tobacco farmers and their communities one of the five key elements for his plan for comprehensive tobacco legislation.**

- We can achieve the twin goals of both protecting the health of the public and protecting the well-being of farming communities. Recently, a remarkable coalition of farming groups, including burley and flue-cured growers, and public health groups, including the American Heart Association and the American Cancer Society, came together around a shared set of principles. That is a consensus we can build on.
- We propose to use some of the revenue from raising the price of cigarettes to make sure that we save our kids without devastating our farm communities. That is a commitment this Administration has made, and we are optimistic that a consensus is forming in Congress to use some of this money to help tobacco farmers.

**President Clinton has submitted to Congress the first balanced budget in 30 years. This budget protects our children from the harms of tobacco -- and our nation from the burdensome costs associated with teen smoking. This budget also uses the very money raised by raising the price of cigarettes to invest in the future of our nation. Our budget uses the tobacco money for:**

- Critical investments in health research, including biomedical research, cancer clinical trials, and children's health outreach -- increasing by nearly 50% the funding for the National Institutes of Health.
- We also make historic investments in child care and after-school care -- doubling the number of working families who receive child care, and significantly increasing the number of students receiving after school care; and lastly,

- We make unprecedented investments in education -- reducing class size, hiring 100,000 additional teachers, and building or rehabilitating 5,000 schools;

**Finally, and most importantly, as a parent of three kids, I can tell you that when I hear the statistics I mentioned earlier, my blood runs cold.**

- When I saw the documents that showed that tobacco companies had deliberately tried to get our children to smoke -- despite the fact that a full third of the 3,000 kids who start smoking every day will die prematurely -- I knew then and there that we must not rest until we have done everything we can to protect our children from tobacco.

**We have it within our power right now to save the lives of 1 million kids over the next five years. We must not miss this historic opportunity.**

- As President Clinton recently said: “We stand on the verge of one of the greatest public health achievements in history -- an historic triumph in our fight to protect America’s children from the deadly threat of tobacco.”
- As Chief of Staff of this Administration, as a businessman, as a North Carolinian, as a parent, and as an American -- I ask you to support our efforts, and to work with us in a bipartisan manner to meet this vitally important challenge.
- We must not let protecting our children’s lives become an election year political fight. It must be a national commitment of the highest priority.

**Thank you.**



Tob - ser - talking points  
and  
Tob - ser - Erskine speech

**ERSKINE B. BOWLES**  
**REMARKS PREPARED FOR DELIVERY TO THE**  
**CENTER FOR NATIONAL POLICY**  
**"The Future of Tobacco in U.S. Policy"**  
**March 30, 1998**

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- These documents are a shocking reminder that our children are under siege by a deadly and powerful enemy -- and it is up to us to protect our children.

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- Congressman Waxman first and foremost has been in the forefront of this issue for years -- providing the powerful leadership it took to bring us to the critical point we have reached today. It is a certainty that we would not be

here if it were not for his determination.

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**The areas that need further work are critically important:**

- For example, we do not believe the McCain bill will impose strong enough lookback penalties on companies that continue selling tobacco to our children. Reducing youth smoking is our bottom line and we must make it the industries' bottom line.
- We also anticipate seeing some gaps in the bill: the McCain bill does not try to comprehensively address the question of how best to use tobacco revenues to protect the public health and to help our children.
- As for liability, it is not yet clear what Senator McCain will produce. But, our position is clear: unless we are imposing tough penalties on the tobacco companies and doing everything in our power to reduce youth smoking, this Administration will not consider proposals to give the tobacco companies protection from liability. As we have said many times, reasonable limits on liability will not be a deal breaker in a bill that meets all of the president's principles, but first, we have to get that kind of bill.

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