

June 24 / Administration of William J. Clinton, 1998

Test Ban Treaty, and it has agreed to abide by most of the provisions of the Missile Technology Control Regime.

Over the past few years, it has also pledged to stop assistance to Iran for its nuclear program, to terminate its assistance to unsafeguarded nuclear facilities such as those in Pakistan, to sell no more antiship missiles to Iran. Each of these steps makes the world safer and makes America safer. It was in no small measure the product of our engagement.

In many other areas that matter to the American people, working with China is making a difference, too, fighting international crime and drug trafficking, protecting the environment, working on scientific research. And if we keep doing it, we can accomplish a great deal more.

When dealing with our differences, also, I believe, dealing face-to-face is the best way to advance our ideals and our values. Over time, the more we bring China into the world, the more the world will bring freedom to China. When it comes to human rights, we should deal respectfully but directly with the Chinese. That's more effective than trying to push them in a corner. I will press ahead on human rights in China with one goal in mind, and only one: making a difference.

That's what all of you here in the Alaska Command are doing for America, making a difference. The reach of this command is truly remarkable, flying missions far and wide in your F-15's, AWACS, C-130 airlifters: patrolling the skies below the Korean DMZ, facing threats in the Persian Gulf, helping democracy make a new start in Haiti, running counternarcotics op-

erations out of Panama, training with Canadian forces in the Arctic, conducting oilspill exercises with Russia and Japan, and of course, working with the Chinese through the military-to-military exchange program you host. And I understand another group of Chinese officers will be here just next month.

Wherever your country calls, you are there. Whenever your country needs you, you deliver. So again let me say to all of you, to those of you in uniform and to your families, your country thanks you, and I thank you.

Last week, the summer solstice touched Elmendorf and you had 20 hours of daylight. Hillary said she was glad to be here in the middle of the afternoon; we could have come in the middle of the night and still had daylight at this time of year. [Laughter] By December you'll be all the way down to 6 hours of light a day. But in every season, day and night, thanks to you the bright light of freedom burns here. It illuminates every corner of our planet. So no matter how cold or dark it gets, never forget that your fellow Americans know you are burning freedom's flame, and we are very, very grateful.

Thank you, and God bless you.

NOTE: The President spoke at 7:09 p.m. in Hangar One. In his remarks, he referred to Col. Jonathan Scott Gration, USAF, Commander, 3d Wing; Lt. Gen. David J. McCloud, USAF, Commander, Alaskan Command and 11th Air Force; and Maj. Gen. Kenneth W. Simpson, USA, Commander, U.S. Army Alaskan Command.

Interview With the Los Angeles Times, Bloomberg Business News, and Business Week

June 19, 1998

Intervention To Support the Yen

Q. I wanted to talk to you a little bit, to start with, about the different reasoning between the 1995 intervention for the dollar and the 1998 intervention for the yen. In '95 the thought was that the dollar was out of line with the economic fundamentals and therefore needed to be supported. In this particular case we have the yen, which doesn't really seem to be out

of sync with the fundamentals in the Japanese economy, and yet we went in to intervene. Can you explain to me what the different reasoning is?

The President. Well, first of all, I think the yen would be out of line if you look at the fundamental productive capacity and the

strength of the Japanese economy and the prospect of genuine reform of the financial institutions and appropriate economic policy. So that when the Prime Minister had agreed to put out the statement being clearer and more specific than before about the kinds of things that the Japanese Government was prepared to do in those areas, particularly around the institutional reform, we thought it was the appropriate thing to do, especially since a continued movement in the other direction in our view would have been unnecessarily destabilizing and out of line with what we think is the reality of the Japanese economic capacity.

Q. Let me just follow up this way if I could. Obviously, what needs to happen in order for Japan to have a recovery would be that the Japanese people need to open their wallets and start spending. Is there anything that you can do to help Hashimoto inspire them to do that?

The President. I don't know. But I think that in order to get them to change their well-known habits for incredible savings, even when it's not the right thing to do, they have to first of all have confidence in the long-term security and stability of the Japanese economy.

And so I think, you know, the reform of the financial institutions, the sense that the world believes the Japanese policy is moving in the right direction I think will at least inspire a greater degree of confidence in the Japanese people to do that. Part of what has caused the recent difficulties was the movement of money out of Japan by Japanese citizens. In these other countries, it's normally what foreign investors do or don't do. And so we hope that this will contribute to that.

Now, in terms of changing the normal habits of Japanese consumers that have built up over decades and that were forged at a time when they did need an extremely high savings rate, that is something that will probably have to take place more within their border than as a result of discussion among the Japanese themselves. But first things first, you have to get the right framework before people could be asked to do that.

Devaluation of the Yuan

Q. Bringing the currency question around to China, China has been making noises that it might not be able to hold the line on devaluation. I was wondering how worried you are about that and what you might be able to do

in the upcoming summit to ease their concerns or to help solve that?

The President. Well, first of all, I think it's clear to everyone that they don't want to devalue, and they've been taking extraordinary actions to avoid devaluation. And I think in so doing they have helped to contain and to stabilize the situation in Asia. And they deserve credit for that. And I personally appreciate it.

I think the most important thing is to try to alter the conditions which, if they continue to worsen, would make them feel compelled to devalue. And I think, from our point of view, that they have to make the policy call. The best thing we can do is to work with them, with Japan, and with others to try to change the conditions so that they will—that the pressure to devalue will decrease, rather than increase.

U.S. China Policy

Q. Mr. President, if I could ask broadly about your China policy. How—at this point, as it's evolved, how does your policy now differ from the policy followed by the Bush administration? And how do the Republican criticisms of it—do they differ from the ways in which the Democratic Party and you in the '92 campaign criticized the Bush administration's policy?

The President. Well, first of all, I never felt that it was wrong to engage China. I never criticized any President for going to China. I always think you're better off talking whenever there's a possibility of advancing the ball, if you will.

I thought it was important after Tiananmen Square that the United States be clear, unambiguous, and firm, and to the extent I thought the signals were not as clear or unambiguous as they should have been, I tried to make that plain. Some people I think concluded from that that I thought we ought to, in effect, launch a policy of isolation and try to contain and isolate the Chinese and that that would be the best way to get change. I never believed that.

And the reason I'm going to China now is that I think there have been a lot of positive changes in the last 6 years. No, we don't have all the problems solved; we still have differences with them over human rights, over religious rights, over economic issues. In some ways we've made the most progress in the nonproliferation area.

But if you look at what's happened in the 5½ years I've been President, at the work the—you know, the Chinese agreeing to sign the Comprehensive Test Ban Treaty; accepting the missile technology control guidelines; agreeing not to cooperate in nuclear matters with India and with unsafeguarded facilities, including those that are in Pakistan; they're a member of the NPT—I think we've made significant progress, even in the area of human rights. We've seen the release of Wang Dan, Wei Jingsheng, Bishop Zeng. And I hope there we will get a real resumption of our dialog. I hope this whole legal systems cooperation will continue where I think we can have a big impact in a positive way, in the way China evolves legally and the way it deals with not just commercial matters but also with matters of personal freedom. We've clearly had a lot of security cooperation on the Korean Peninsula, and China has led these five-party talks in the aftermath of the nuclear tests on the Indian subcontinent.

So I think that this trip is coming at a time when there have been substantive changes which justify the kind of measured, principled engagement strategy we've followed, and I think it's more than justified. And if you ask me how it compares with the previous policy, I would say that it may just be the passage of time, but I think there are more elements to our policy. We're about to open a DEA office in Beijing. And as I said, I hope very much that as a result of this trip we'll wind up with a genuinely invigorated human rights dialog and perhaps an NGO forum on human rights.

I don't think there's any ambiguity here about the extent to which we have tried to put all the elements of our engagement in China into our policy and pursue them all in the way we feel would be most effective.

Q. And the Republican criticisms?

The President. Well, I think some of them are consistent, some of them—some of the Members of the House, for example, in the Republican Party have had a consistent posture on China. Some of it may just be election year politics. But to whatever extent it exists, I think that I should listen to whatever the critics say and see whether or not they're right about any specific things they say.

But on the larger issue of our engagement in China, I think most Americans agree with me. And the most important thing is I'm convinced it's in the interest of the United States,

and I'm going to pursue it as clearly and effectively as I can.

Trade With China

Q. One of the things that the critics always point to, however, is the trade deficit with China, particularly that our exports to China dropped below \$1 billion in April. Do you have a strategy? Obviously there's going to be a yawning trade gap as things happen in Asia. Do you have a strategy to sort of combat the isolationists who say that this is bad for our country?

The President. Well, if you take the economic issues—first of all, the volume of imports into our country is the function of the strength of our economy combined with the weakness of the other Asian economies which would normally be markets for China's products. And our people have chosen to buy those products, and it has not weakened our economy. After all, we had the lowest unemployment rate in 28 years. So that is not, for me, the source of the problem. And we knew that the trade deficit would worsen this year because of the weakness in Asia.

But I am concerned about the fact, even though our exports overall, notwithstanding the April figures, our exports were up 7 percent in '97 over '98, and they're running about 17 percent—excuse me, '97 over '96; they're running about 17 percent higher in '98 over '97. I do think that the United States should have greater market access. And I think if we had greater market access, then our exports would be increasing at least proportionately to our imports.

However, my preference would be for China to take those steps that would enable it to come into the WTO, not to give America any special deals or special preference but to simply adopt a rigorous plan for opening new markets. I think Americans would do just fine in a fair and free and open market, competing with all other people who would like to sell to China. And that's what I hope we can achieve. And I hope we'll make some progress on that.

But in the meanwhile, I have to continue to press for more access for American products, and I do have a strategy on it. But we will be more vulnerable to those criticisms in this year for the simple reason that our economy is especially strong and the problems in Asia are especially acute. And the intersection of

those things mean we're taking on a lot more imports than we ordinarily would.

Asian Economic and Nuclear Crises

Q. How have the problems, the economic crisis in East Asia, the nuclear crisis in South Asia, and ongoing congressional hearings affected the agenda for the summit? Has it changed since what you would have conceived of at your meeting last year?

The President. Well, I think the first two matters have made the importance of the summit, the importance of the trip even greater because I think they illustrate in graphic terms that relate to the security and the welfare of the American people why a constructive partnership with China is important if we can achieve it.

If you just look at the economic issues—you asked the question about Chinese devaluation. The Chinese have tried to be constructive in working with us on the whole Asian economic crisis.

If you look at the Indian subcontinent, just imagine how much more tension there would have been after the India and Pakistan tests if China hadn't signed the Comprehensive Test Ban Treaty and then responded with a test of its own, since India asserted that it was really doing this because of China and not because of Pakistan. And now, you know, the Chinese headed the five-party talks we had with the Permanent Five, and they adhered to every statement we made. And I think that's important. And it's really—you can't imagine any scenario in which we can unravel the difficulties between India and Pakistan without China playing a major role. So I think that's very important.

Now, as to the congressional hearings, I think you have to—or investigations, the only one that I think has any bearing on the trip—it won't have any bearing on the trip, but it has a bearing on our relationships with China—is all the inquiries into the question of whether any elements of the Chinese Government attempted to influence the last election by channeling money into either my campaign or the campaign of various Members of Congress.

As I have always said, that is a serious issue. I have raised it with the Chinese, from the President on down. They have vigorously denied it. And I have asked them to, please to cooperate in every way with the investigation that we have to conduct into this—that is, "we" the executive branch, and "we" the United States

through the Congress. And we will continue to express that view on this trip. But that will not—that doesn't in any way undermine the importance of the trip or the need for this kind of partnership against the background of the economic and security issues you mentioned.

China's Political System

Q. Mr. President, would you like to see the end of communism in China, and is that a goal of American policy?

The President. Well, of course I would like to see China adopt a more open, freer political system in which basic political and civil rights would be recognized. The Chinese have expressed their intention to sign the covenant. I think that's very important. And I believe that the Chinese people will, over time, understand and will come to embrace the notion that they can only achieve their full greatness in the world of the 21st century if they allow the widest possible latitude for personal imagination and personal freedom, and that there is a way to do that and still preserve the coherence and stability of their society.

And so I think there will be a process of evolution here as China becomes a more involved and constructive partner with the rest of the world, has a bigger say in regional affairs, and also comes to grips with the basic elements of what it takes to succeed in the modern world. I believe that. And I believe that we can further that by pushing in that direction and by actually having a dialog in which the Chinese leaders really have to imagine the future and what it's going to be like and understand what life is like. You know, they're going to have—what do they have, 400,000 people on the Internet now, they're going to 20 million before you know it. So I would like to see a China that is more open and more free, and I believe—and also that is more accommodating to difference.

I think this—if you look at the question of Tibet, I see this as a great opportunity for China, not some great problem that threatens instability. I think the symbolic importance of the Dalai Lama saying that Tibet just seeks to be genuinely autonomous region but not separate from China, and then having a President of China agree to meet with the Dalai Lama—I think the benefits to China would be sweeping, enormous, and worldwide. And I don't think it would lead to greater instability.

And that relates to, you know, you've got—China has a substantial Muslim population. China has a not insubstantial and growing Christian population. I think, you know, this—the religious leaders who went to China at my request, after President Jiang and I worked out the opportunity for them to go, came back and made their report to me and their recommendations yesterday. And we had an announcement about that here.

I think all this is going to be a big part of China's future. And I think that—I think they will—let me just say this. Any society in change has to find a way to reconcile the realities it faces, its highest hopes for the future, with its biggest nightmare. And every country with any kind of history at all has a nightmare.

When we worked out with the Russians—I'll give you something in a different context—when we worked out with the Russians how we were going to relate Russia to NATO and what the terms of NATO expansion would be, I kept telling people over and over again, "You've got to understand what their nightmare is. We were never invaded by Hitler and all that. And you could say there's nobody alive in Russia today that remembers Napoleon and not all that many remember Hitler, but that's not true. Those things, they seep into the psyche of a people. And you have to understand that."

For the Chinese—the word instability to us may mean a bad day on the stock market, you know, demonstrations out here on The Mall or the Ellipse, because we're a very long way from our Civil War and we think that such a thing is unthinkable. But to them, instability in the context of their history is something that was just around the corner, only yesterday. And it becomes a significant problem.

So what we have to do is to figure out a way to press our convictions about not only what we think is right, morally right, for the people now living in China but what we believe with all of our hearts is right for the future of China and the greatness of China in terms of openness and freedom. And we have to find a way to do it so that they can accommodate it to their psyche, which is very much seared with past instabilities.

Trade, National Security, and Human Rights

Q. Your administration, since you've been in office, has aggressively pushed U.S. exports, U.S. companies and products, in the global market-

place. Some have argued that there's a danger and an emphasis on commercialism that could cloud national security or human rights interests. What's your view on the matter and how do you deal with that, both in China and in a broader sense?

The President. Well, I think they are two different issues. I think on the human rights issue, I think it only undermines human rights if you basically just do it with a wink and a nod and it's obvious that you don't care about human rights or other issues of liberty or human decency. This is not just with China but generally.

I think on balance the evidence is that greater economic prosperity and greater economic openness leads to more open societies and to greater freedom and to a higher quality of life across the board. So I think that—I don't see them as fundamentally in conflict. I just think that as long as you recognize that there is—as long as we in the United States and the Government recognize that we have an obligation to pursue a coherent and full policy, that everything we do to open a country economically and to bring in new ideas, new information, and new people and to bring people from those countries out of their own environs, that that's a good thing, and it advances the cause of human rights and liberty over the long run—and sometimes over the very short run.

Now, on the national security issues, very often these questions require a lot of careful judgment by people who know all the facts, and even there it's not always clear what should be done because technology is becoming more universally available in so many areas. I think we have very clear rules and guidelines on nonproliferation, and we've made a lot of progress with the Chinese on nonproliferation.

On the question of the satellites—if you just want to take the satellites. The issue there, we have a system now where in every decision all the relevant agencies, including the national security agencies, are all involved; if the satellites are purely commercial, the initiative comes out of the State Department, the initial approval, but everybody else gets a say in almost a de facto veto. If there can be some interconnection between the satellite and rocket that goes up, then it initiates out of State, but everybody else gets a say. And I think the system has worked quite well for the United States and has advanced our interests without undermining our security. I've not seen any evidence of any case

where there's been a national security interest that's been compromised.

Q. What about Sikorsky helicopters? The new ones can be sold, but the parts and the services cannot. Do you see that sanction—it's a leftover, I guess, '89 sanction—do you see that being lifted anytime soon?

The President. Well, first of all, as you know, in the Tiananmen sanctions there are five categories of sanctions. The only one we've actually lifted outright is the one on nuclear cooperation in exchange for the comprehensive agreement we made with the Chinese on nuclear cooperation. And I think that's been quite a good thing.

On the satellite issues, that's a case-by-case thing, initiated in 1988 and then implemented by President Bush and by me. On the others, most of them have to be reasoned on a case-by-case basis. And we'll have to look at it, and we'll do the right kind of national security review and make the best judgment we can on it.

Q. What's the reason behind not lifting the sanctions on the Sikorsky's?

The President. Well, I can't—I don't want to talk about it now. I mean, I'll be glad to get some sort of answer to you, but I think what—all I can say is that we have to—we deal with these things on a case-by-case basis, and we do the best we can with them.

Japan

Q. Mr. President, I wanted to ask about Japan. Why aren't you visiting Japan on this trip, and can you respond to the criticism that, based on that, that in some way American policy is tilting towards China and is giving a lower priority to its allies in Asia?

The President. Well, I think—first of all, I think that would be a huge mistake to say that. I have been to Japan on more than one occasion since I've been President. I intend to go to Japan again before I leave office. I have had the Japanese Prime Ministers here. And Prime Minister Hashimoto is coming here very soon after I get back from China. We talk to each other all the time on the telephone, and we had a conversation just the other day.

It's interesting, I think sometimes we can read too much into this. I'm going to China because I think—we moved the trip up, you remember, at the recommendation of Ambassador Sasser, after the national security team looked at it and said they thought he was right because there's

so much going on in Asia and because President Jiang had a good constructive trip here. And we wanted to try to build on our relationship with China.

We have made clear to the Japanese that it will in no way undermine the importance of our relationship with Japan, which, as you know, has got long security, economic, and political components to it. And I think it would be really a stretch to try to interpret the fact that I'm going to China and not to Japan at this particular time as having any significance other than the fact that I've been President nearly—well, 5½ years, now—and I think it's time to go to China. And I think it's important to devote a significant amount of time to it and for it to be a trip that stands on its own, just as President Jiang's trip here stood on its own. But it is in no way a derogation of the Japanese relationship. And we've—we certainly, as you know, spent a lot of time working on U.S.-Japanese issues and Japanese economic issues in the last few weeks, and we're going to spend a lot more.

China's Financial Markets

Q. How important do you think it is for the U.S. to help China develop its own financial markets, whether it be bond markets or housing or Fannie Mae? And what are you going to do during this trip to help them do that?

The President. The answer to the first question is, I think it's quite important. I think that developing these kinds of markets and giving international capital access to them, I think, is quite important and will continue the process bringing China into the global economy in a way that I think is good. The Chinese may be a little reluctant now because they think, you know, they see what's happened in some other countries.

But as long as they've got good, stable financial policies and significant cash reserves and follow a prudent course, I think they'd be very much advantaged by having more sophisticated and various markets. I haven't decided exactly what, if anything else, I can do on that. I'm going to Shanghai. And while there, I expect to have a lot of discussions about the financial markets, how they're structured, and where we're going from here. But I don't have anything specific to say about that.

China-U.S. Business Meeting

Q. Often there are CEO delegations that accompany trips of this kind, and it doesn't appear that there will be this time. Is there a particular reason for that?

The President. Well, we are going to have a U.S.-China business meeting in Shanghai, and a lot of American CEO's are going to be there. And I have—some who have mentioned to me their interest in this trip, just in passing, I've encouraged, if they've got an interest in China, to participate in that.

But frankly, since this is the first trip an American President has made in quite a long while and since there are issues other than economic issues that also have to be front and center, I thought it was better this time just to take our delegation. There is another practical problem; it would probably be impolitic for me to admit it, but there is a practical problem here, which is that there are now so many American businesses involved in China, you'd have a hard time figuring out who to take and who to leave if we did it. [*Laughter*]

So we decided since we had this big event planned in Shanghai, we would just tell everyone to please come and try to do the trip with a smaller delegation.

Most-Favored-Nation Status for China

Q. Mr. President, is it your goal to at some point grant China permanent most-favored-nation status?

The President. I think it would be a good thing if we didn't have to have this debate every year, yes. I don't think—I think that even a lot of the people that feel for whatever reason they have to vote against it, recognize that we're better off having normal trading relations with China and that we don't need to have this debate every year. And if some future, terrible problem arose between the two of us which would call into question whether we should continue that, then there certainly would be—Congress would have the option to debate and to legislate in that area.

But I don't think this debate every year serves a particularly useful purpose. It might actually have for a few years after Tiananmen Square when there was uncertainty about what our policy was going to be and where there was no systematic way of dealing with human rights and other concerns. But I think now that there is

and there will continue to be a systematic way of dealing with that, and I hope that there are other ways for Congress to be involved in China and to make their views known. I think it would be better if we didn't have to have this debate every year.

Q. Will you propose legislation or legislative action to—

The President. I would want to have consultations with Congress. We discussed this last year. I discussed this with a number of leaders in Congress last year, and the consensus was that it wasn't the right time to propose it because the Congress wasn't ready to deal with it. But let's see how the trip goes and, when I get back, see how people are feeling about it.

International Monetary Fund

Q. Another issue that's languishing on Capitol Hill is the IMF. And the Senate passed it months ago and overwhelmingly, but the House has been holding it up. Some of the social conservatives want to add abortion language. Dick Armey wants strict conditions before there would be approval. Newt Gingrich has even suggested that unless the administration is more cooperative in his mind on some of their hearings, that he would hold it up.

How important do you think it is to do this, do it quickly? And how has the economic trouble of Asia made it more important if you believe it is?

The President. I think the economic trouble in Asia has made it more important in two ways, one symbolic and one practical. Symbolically it's more important because the United States needs to be seen as doing everything possible to be a responsible player in the international economy and because we have a huge stake in what happens in Asia. A big percentage of our exports go to Asia; a significant percentage of our own economic growth has been fueled by that export market. There is a practical reason that's important, which is so many countries got in trouble at the same time, the IMF is going to need the money pretty soon. And we can't expect to lead the world when all these huge interests are at stake and then say, but I'm sorry, there are 15 or 20 members of the Republican majority in the House of Representatives who have said that if this administration won't change its family planning policy, that they're prepared to see us lose our vote in the United Nations and

have no influence over the International Monetary Fund and not do our part there.

I think this is part of a dangerous move toward kind of both unilateralism and isolationism that you can also see in some of the budget proposals for foreign assistance. Some Members of the House appear to want to sanction everybody in the world who doesn't agree with us on anything and not invest in anybody in the world who does agree with us and can be our partner in the future and can build a better 21st century for their children.

I just completely disagree with this whole approach, and I'm hoping we can find a way out of it. The Speaker's is in a little bit of a political bind because of the way his caucus works, and I feel badly about it. But he knows good and well we ought to pay our way to the IMF and the U.N.

Tobacco Legislation

Q. I just wanted to ask you a question actually about tobacco. At a press conference about a month ago, I asked you—and this was before tobacco had actually blown up—I asked you if you thought you could convene a tobacco summit of some sort to bring the companies back into the fold at the time the companies were saying they couldn't accept the McCain bill.

Have you discussed with anybody bringing up some sort of tobacco summit to try and get everybody back at the table and try and work out a compromise? And if so, when would something like that happen?

The President. Let me tell you, what we're doing now is we're exploring every conceivable alternative for how we could come up with a bill that can actually pass the Congress that would do the job of reducing teen smoking. The only thing I have ruled out, which I did earlier today in my press conference, was just taking some slimmed-down bill that would make a mockery of the process so that Congress could say it did something.

I believe that the central reason the tobacco companies pulled out was not so much the money but was the uncertainty as to whether there would be some liability cap. And there was an unusual coalition of liberals and conservatives, for an unusual set of reasons, who voted against that, which is why, after consultation with Senator Lott, I came out and clearly said that I would be prepared to accept one and

I thought they ought to vote for it. And I still believe that.

And the reason is clear. Whether you're philosophically opposed to a liability cap or not as part of the settlement, under prevailing Supreme Court decisions, I think it's clear that if we want the tobacco companies to limit their advertising and marketing, in order to do that they're going to have to understand to some extent what their financial exposure is in the future.

So for me, I have no problem with that, and I think if you talked to anybody who really wants a bill, they will tell you that in the end, if we're going to get a bill, it will have to have some kind of liability cap on it. So it ought not to be too generous to tobacco companies; it ought to be something they still feel, if they continue to do the wrong thing.

But if you look at—there are three elements. All the studies show there are three elements which has led to a very high rate of teen smoking, even though it's illegal in every State to sell cigarettes to teenagers. One is the price. If the price were higher, kids wouldn't be as likely to buy them. Two is the advertising. And three is the access. So we've got to try to deal with all three of those things. Then we need the bill to deal with the public health issues. And we need something for the tobacco farmers. And everything else, as far as I'm concerned, can be subject to negotiations.

So I'm looking at—we've discussed three or four or five different ways that we can get this thing back on track. But the Senate knows what the parameters are. They could—we could send them up a bill tomorrow that would pass the Senate if they decided they were going to do it.

Q. Do you have a bill? I mean, a White House bill.

The President. No, we don't, because we thought it was better—in consultation with the Republicans, we thought it was better to let them have a committee bill. So they voted this bill out 19 to one, and some of the people who voted for the bill voted against it on the floor yesterday—the day before yesterday.

Q. So you can't see a scenario, giving them political cover, of having a White House bill?

The President. Oh, I don't mind giving them political cover. Don't misunderstand me. I don't mind—to me, this is about the kids. If there is an agreement and there are members—there

are Democrats who are worried about being attacked because they gave a liability cap or Republicans who are worried about being attacked because they voted for a bill that would increase the price of cigarettes a buck a pack or however much it is in the bill, or they want to have some differences in the particulars as it's implemented, I don't mind doing that.

I think that this administration, I think because of the stand that I have taken and the stand the Vice President has taken, I think that our credibility on this is pretty strong. People know we really believe in this, and we really believe it ought to be done. And I think everyone understands that any complicated piece of legislation has to represent a series of compromises.

So I'm more than happy to do all that, but I just—I'm not prepared to adopt a bill that I don't think will do the job and that no reputable public health authority believes will do the job. That's my only bottom line.

I don't—I'm not interested in gaining any political benefit from this except insofar as it's necessary to induce people to ultimately pass the right kind of bill. That's my only objective here. I think this is a public health opportunity of a generation for the United States, and to squander it because there was \$40 million in unanswered advertising by the tobacco companies, to which there are very good answers, is a great—it would be a great pity. And I think in the end it's a misreading of the political opinions and character of the American people for the Republican majority to think that they've gotten some big victory here. I just don't agree with that, and I hope we can work it out.

Nuclear Proliferation in South Asia

Q. One quick last China question. Did China's help for Pakistan's nuclear program—was that a contributing factor in these tests, as the Indians claim?

The President. Well, of course that has its roots in the war that China fought with India

over 35 years ago. And so China quite rationally, from its point of view, developed a security relationship with Pakistan.

But the important thing is that the Chinese have agreed now not to give assistance to non-safeguarded nuclear facilities, which would include the ones in Pakistan. They're in the comprehensive test ban regime. And equally important, since deliverability of missiles is a big issue, deliverability of nuclear weapons is a big issue, they've agreed to abide by the guidelines of the Missile Technology Control Regime and to work with us in improving both of our abilities to deal with those issues.

So China—India can blame China or say that this is a Chinese issue, but the truth is, we need to find a way out of this which leaves the Indians more secure, not less, leaves the Pakistanis more secure, not less, and puts the India-China relationship back on the path it was on before this last change of government and the testing occurred.

We got to start from where we are, but I think the Chinese commitment on that going forward was the important thing, and we have it, and I think they will honor it.

Q. Thank you.

The President. Thank you very much.

NOTE: The interview began at 3:44 p.m. in the Oval Office at the White House. The following journalists participated in the interview: Jim Mann, Los Angeles Times; Dina Temple-Raston, Bloomberg Business News; and Rick Dunham, Business Week. In his remarks, the President referred to Prime Minister Ryutaro Hashimoto of Japan; Chinese political dissidents Wang Dan and Wei Jingsheng; Chinese Roman Catholic Bishop Zeng Jingmu; and President Jiang Zemin of China. This interview was released by the Office of the Press Secretary on June 25. A tape was not available for verification of the content of this interview.

Statement on Efforts To Cut Teen Drug Use

June 25, 1998

Last week's PRIDE survey showed that we are beginning to change the attitudes and behav-

ior of our children, and that is a step in the right direction. Today's Pulse Check shows that