

**Message to the Congress
Transmitting a Report on Emigration
Policies and Trade Status of Albania**

July 19, 1999

To the Congress of the United States:

I am submitting an updated report to the Congress concerning the emigration laws and policies of Albania. The report indicates continued Albanian compliance with U.S. and international standards in the area of emigration. In fact, Albania has imposed no emigration restrictions, including exit visa requirements, on its population since 1991.

On December 5, 1997, I determined and reported to the Congress that Albania is not in violation of the freedom-of-emigration criteria in sections 402 and 409 of the Trade Act of 1974. That action allowed for the continuation of normal trade relations status for Albania and certain other activities without the requirement of an annual waiver. This semiannual report is submitted as required by law pursuant to the determination of December 5, 1997.

William J. Clinton

The White House,
July 19, 1999.

**Message to the Congress Reporting
on the National Emergency With
Respect to Libya**

July 19, 1999

To the Congress of the United States:

I hereby report to the Congress on the developments since my last report of December 30, 1998, concerning the national emergency with respect to Libya that was declared in Executive Order 12543 of January 7, 1986. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c); section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c); and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa-9(c).

1. On December 30, 1998, I renewed for another year the national emergency with respect to Libya pursuant to IEEPA. This re-

newal extended the current comprehensive financial and trade embargo against Libya in effect since 1986. Under these sanctions, virtually all trade with Libya is prohibited, and all assets owned or controlled by the Government of Libya in the United States or in the possession or control of U.S. persons are blocked.

2. On April 28, 1999, I announced that the United States will exempt commercial sales of agricultural commodities and products, medicine, and medical equipment from future unilateral sanctions regimes. In addition, my Administration will extend this policy to existing sanctions programs by modifying licensing policies for currently embargoed countries to permit case-by-case review of specific proposals for commercial sales of these items. Certain restrictions apply.

The Office of Foreign Assets Control (OFAC) of the Department of the Treasury is currently drafting amendments to the Libyan Sanctions Regulations, 31 C.F.R. Part 550 (the Regulations), to implement this initiative. The amended Regulations will provide for the licensing of sales of agricultural commodities and products, medicine, and medical supplies to nongovernmental entities in Libya or to government procurement agencies and parastatals not affiliated with the coercive organs of that country. The amended Regulations will also provide for the licensing of all transactions necessary and incident to licensed sales transactions, such as insurance and shipping arrangements. Financing for the licensed sales transactions will be permitted in the manner described in the amended Regulations.

3. During the reporting period, OFAC reviewed numerous applications for licenses to authorize transactions under the Regulations. Consistent with OFAC's ongoing scrutiny of banking transactions, the largest category of license approvals (20) involved types of financial transactions that are consistent with U.S. policy. Most of these licenses authorized personal remittances not involving Libya between persons who are not blocked parties to flow through Libyan banks located outside Libya. Three licenses were issued authorizing certain travel-related transactions. One license was issued to a U.S. firm to allow it to protect its intellectual property rights

in Libya; another authorized receipt of payment for legal services; and a third authorized payments for telecommunications services. A total of 26 licenses were issued during the reporting period.

4. During the current 6-month period, OFAC continued to emphasize to the international banking community in the United States the importance of identifying and blocking payments made by or on behalf of Libya. The office worked closely with the banks to assure the effectiveness of interdiction software systems used to identify such payments. During the reporting period, 87 transactions potentially involving Libya, totaling nearly \$3.4 million, were interdicted.

5. Since my last report, OFAC has collected 7 civil monetary penalties totaling \$38,000 from 2 U.S. financial institutions, 3 companies, and 2 individuals for violations of the U.S. sanctions against Libya. The violations involved export transactions relating to Libya and dealings in Government of Libya property or property in which the Government of Libya had an interest.

On April 23, 1999, a foreign national permanent resident in the United States was sentenced by the Federal District court for the Middle District of Florida to 2 years in prison and 2 years supervised release for criminal conspiracy to violate economic sanctions against Libya, Iran, and Iraq. He had previously been convicted of violation of the Libyan Sanctions Regulations, the Iranian Transactions Regulations, the Iraqi Sanctions Regulations, and the Export Administration Regulations for exportation of industrial equipment to the oil, gas, petrochemical, water, and power industries of Libya, Iran, and Iraq.

Various enforcement actions carried over from previous reporting periods have continued to be aggressively pursued. Numerous investigations are ongoing and new reports of violations are being scrutinized.

6. The expenses incurred by the Federal Government in the 6-month period from January 7 through July 6, 1999, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the Libyan national emergency are estimated at approximately \$4.4 million. Personnel costs were largely centered in the Department of

the Treasury (particularly in the Office of Foreign Assets Control, the Office of the General Counsel, and the U.S. Customs Service), the Department of State, and the Department of Commerce.

7. In April 1999, Libya surrendered the 2 suspects in the Lockerbie bombing for trial before a Scottish court seated in the Netherlands. In accordance with UNSCR 748, upon the suspects' transfer, UN sanctions were immediately suspended. We will insist that Libya fulfill the remaining UNSCR requirements for lifting UN sanctions and are working with UN Secretary Annan and UN Security Council members to ensure that Libya does so promptly. U.S. unilateral sanctions remain in force, and I will continue to exercise the powers at my disposal to apply these sanctions fully and effectively, as long as they remain appropriate. I will continue to report periodically to the Congress on significant developments as required by law.

William J. Clinton

The White House,
July 19, 1999.

**Letter to Congressional Leaders
Reporting on the Deployment of
Military Forces for Stabilization of
Areas of the Former Yugoslavia**

July 19, 1999

Dear Mr. Speaker: (Dear Mr. President:)

In my report to the Congress of January 19, 1999, I provided further information on the deployment of combat-equipped U.S. Armed Forces to Bosnia and other states in the region in order to participate in and support the North Atlantic Treaty Organization (NATO)-led Stabilization Force (SFOR), which began its mission and assumed authority from the NATO-led Implementation Force on December 20, 1996. I am providing this supplemental report, consistent with the War Powers Resolution, to help ensure that the Congress is kept fully informed on continued U.S. contributions in support of peacekeeping efforts in the former Yugoslavia.

The U.N. Security Council authorized member states to continue SFOR for a period of 12 months in U.N. Security Council

Resolution 1247 of June 18, 1999. The mission of SFOR is to provide a continued military presence in order to deter renewed hostilities, stabilize and consolidate the peace in Bosnia-Herzegovina, and contribute to a secure environment to facilitate the civilian implementation process to which SFOR provides broad support within its means and capabilities.

The U.S. force contribution to SFOR in Bosnia is approximately 6,200. In the first half of 1999, all NATO nations and 19 others, including Russia and Ukraine, have provided military personnel or other support to SFOR. Most U.S. forces are assigned to Multi-national Division, North, centered around the city of Tuzla. In addition, approximately 2,200 U.S. military personnel are deployed to Hungary, Croatia, and Italy in order to provide logistical and other support to SFOR. The U.S. forces continue to support SFOR in efforts to apprehend persons indicted for war crimes. In the last 6 months, U.S. forces have sustained no fatalities.

The United Nations mandate for the U.N. Preventive Deployment Force (UNPREDEP) in the Former Yugoslav Republic of Macedonia expired on February 28, 1999, and it was not renewed or extended. The U.S. military contingent that had been deployed to Macedonia as part of UNPREDEP remained in Macedonia under U.S. operational control in anticipation of providing logistical support to U.S. forces that could support future NATO operations in the area. That contingent subsequently re-deployed and was replaced with other U.S. forces more suited for this possible support mission. The new contingent has been incorporated into the U.S. national support element operating in Macedonia that, as I reported in my letter to the Congress of June 12, 1999, is supporting the International Security Presence in Kosovo (KFOR).

I have directed the participation of U.S. Armed Forces in these operations pursuant to my constitutional authority to conduct U.S. foreign relations and as Commander in Chief and Chief Executive, and in accordance with various statutory authorities. I am providing this report as part of my efforts to keep the Congress fully informed about developments in Bosnia and other states in

the region. I will continue to consult closely with the Congress regarding our efforts to foster peace and stability in the former Yugoslavia.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Strom Thurmond, President pro tempore of the Senate.

Letter to Congressional Leaders on Proposed Education Legislation July 19, 1999

Dear Mr. Speaker: (Dear Mr. Leader:)

Nothing will do more to prepare all of our people to succeed in the 21st century than strengthening our public schools. That's why I am deeply concerned about the legislation that the House is preparing to consider that undermines a bipartisan commitment to reduce class size in the early grades across the nation. If the Congress sends me H.R. 1995 in its current form, I will veto it in order to protect our nation's commitment to smaller classes and better schools.

Last year, Congress came together across party lines to make a down payment to begin hiring 100,000 well-prepared teachers to reduce class size to a nationwide average of 18. Earlier this month, the Education Department released \$1.2 billion in grants to help states and local school districts begin hiring the first 30,000 well-trained teachers for the new school year. Now is the time to work together to keep our bipartisan commitment on class size, not walk away from it.

After all, research confirms what parents and teachers understand: smaller classes with well-prepared teachers have a lasting impact on student achievement, with the greatest benefits for lower achieving, minority, and poor children.

Earlier this year, I sent to Congress my proposal to reauthorize the Elementary and Secondary Education Act that would help all students reach high standards by strengthening accountability, improving teacher quality, and building on our progress to reduce class size in the early grades all across America. Regrettably, in its current form, H.R.

1995 abolishes a dedicated funding stream for class size reduction and replaces it with a block grant that fails to guarantee that any funding will be used for hiring new teachers to reduce class size. It eliminates the focus on early grades where smaller classes make the most difference and help children learn to read and master the basics. Moreover, the block grant could be used simply to replace state or local funding instead of increasing overall investment in our public schools. I urge the House to approve a substitute measure that I understand will be offered by Representative Martinez, that would improve teacher quality and maintain our commitment to the class-size reduction effort begun last year.

Last year we made a promise to America's children to provide smaller classes with well-prepared teachers. I urge Congress to keep that promise by enacting legislation that improves our nation's schools by ensuring greater investments in education, improved teacher quality, and smaller classes all across America.

Sincerely,

Bill Clinton

NOTE: Identical letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Richard A. Gephardt, minority leader, House of Representatives. An original was not available for verification of the content of this letter.

Remarks at a Democratic National Committee Dinner

July 19, 1999

Thank you very much. John, that was so nice—I hope somebody got a tape of it. [Laughter] Next time somebody gets mad at me, I'll just turn the tape on and play it. [Laughter]

I want to thank you and all your officers and Governor Romer and all the people from the DNC here. I'd like to say a special word of appreciation to some people who are here, without whom I could not do my job: my political director, Minyon Moore; and Karen Tramontano, who's done so much work with all of you. I thank them for being here. And someone who's here who spends more time with you than me now, but without whom

I would not be here, my good friend Harold Ickes. And Janice Enright, who's also here, thank you very much.

And I'm delighted to see all of you, but I'm especially glad tonight to see emerging from his own rather unique diet control plan, Gerry McEntee—[laughter]—thank you for coming back to us tonight. Thank you. I told him how good he looked, and he said, "I don't recommend it to anybody." [Laughter]

Let me say the most important thing I can say to you is thanks—thank you for being so good to me and to Al Gore, to Hillary, to Tipper, to our entire administration. We are very grateful to you. And thank you for fighting not only for your own members, but for the interests of Americans everywhere who are not fortunate enough to belong to an organized group who can give them voice.

I sat down 3 or 4 years ago—I wish I had done it again tonight before I came here—just one day I had a little time in my office and I wrote down the list of all the things that the labor movement was fighting for, with me and the Congress. And only about half of them directly affected your members. Most of our members wouldn't benefit from an increase in the minimum wage. Most of your members even had family and medical leave. Most of your members had the health care protections you were trying to get for other people. And I wish that more Americans knew how much time and effort and money you spend doing things because you believe that you'll be better off if the rest of America is better off.

And I guess—I was in the home of a very wealthy man in Florida a couple of days ago—well, what's today—Monday—4 or 5 days ago—who said that he had stayed a Democrat all these years because he really thought he'd be better off if everybody else was better off. And I think that is the fundamental issue.

We were talking around the table here. I have a friend who is the head of one of America's largest companies, one of America's most profitable companies, who told me that he had taken to going around New York telling his fellow business executives, if you paid more in taxes in 1993 than you've made in the stock market since, by all means support the Republicans in 2000. [Laughter] But if

you didn't, you better stick with us, and you'll do well. [*Laughter*] I thought it was an interesting argument.

One of the things that I would like to emphasize tonight, as we look at where we are today and we look to the future, is that the ideas that we have fought for and the issues we have fought for and the initiatives we have pushed are no longer seriously a matter of debate. And that is something that you ought to share not only with your members, but they ought to share with their friends and neighbors in every community in this country.

It is no longer open to debate whether we were right to reduce the deficit while we doubled investment in education and training, starting in 1993. We do have nearly 19 million jobs, the longest peacetime expansion in history, the highest homeownership in history, the lowest minority unemployment ever recorded, the lowest welfare rolls in 30 years. It's not open to debate now. It's not open to debate that the approach we took on crime, which was to prevent as much as we could, put more police out there, focus on taking guns away from people with criminal records, get our kids more prevention, and then, punish more severely the relatively small number of people who commit a very high percentage of the crime—we have the lowest crime rate in 26 years. It's not a matter of debate anymore. And I think this is important.

Our country is better for the fact that we have cleaner air, cleaner water, safer food, 90 percent of our kids immunized against serious childhood illnesses for the first time in the entire history of the country. So we have a lot, all of us together, to be proud of. And helping other people to do well turns out to be better for all of us.

John mentioned all those labor issues. If you really go back and dissect every issue he mentioned, basically, the contrary position, the people that were against us were arguing to their people, if we just take a little more away from the working people we'll be better off. Well, the truth is, they're doing very well because the working people have more.

We're in a big debate in the Congress right now about whether, in the financial reform

legislation working its way through Congress, there should or should not be a continued, profound commitment to the Community Reinvestment Act, that basically says, if you've got a bank and a community and you take the community's paychecks as investments in your bank, you need to make investments in that community. The law was passed in 1977. But it was pretty well moribund until we took office. Over 95 percent of the community investment, \$17 billion, made in the 22 years of that law have been made in the 6½ years that I've been in office—investing money into poor areas and in neighborhoods and to businesses that normally couldn't get credit.

Unbelievably enough, there are people in the Congress trying to weaken that law. Our financial institutions have never been healthier—for obvious reasons. The more you spread economic opportunity, the better the rest of us do. And we have always believed, as Democrats, that if we widen the circle of opportunity, if we broaden the meaning of our freedom, if we reward every responsible citizen, if we create a community that's a bigger and bigger and bigger tent where everybody who is doing right has a chance to do well, then our country will be stronger in ways that go way beyond economics.

And every single indicator of social health—from unemployment to the rates of teen pregnancy and drug abuse and smoking—is going in the right direction. Not because all of us are always right on every issue, not even because all of us agree on every issue; but our animating philosophy is we will make the changes necessary to fit America for the 21st century and we will do it in a way that gives everybody a chance to do well and helps us to grow together, not grow apart. And I think that is profoundly important.

But what I think we should think about in the next year and a half, as we continue to fight to move forward in Congress and as we go out into the country in a new political season, is saying to people, this is not a matter of debate anymore. The evidence is in. The argument cannot be refuted. We have shown you that this is right.

And if you look at where we are now—I'd just like to mention two or three things. We've got a lot of issues before us in Congress. But if I might, let me just start with the lamentable defeat of the Patients' Bill of Rights in the Senate. Now, why in the world would anybody be against that? Well, you saw all the ads, and they say, "Oh, this is going to really raise health insurance premiums, and we wouldn't want to do that and reduce the number of people with health insurance." Remember, that's what they said—they said, "You know, if you vote for Bill Clinton's health program, the number of people with health insurance will go down." Remember they said that? "And the number of people being insured by the Government will go up." And as one Democrat said the other day, he said, "I voted for Bill Clinton's health insurance program and, sure enough, the number of people with health insurance went down and the number of people the Government was insuring went up." That's exactly what has happened. Why? Because of the cost of the burden.

Now, again, this was an argument where you had rhetoric and money on one side and reality on the other. I put in the protections of the Patients' Bill of Rights by Executive order for everybody covered by the Federal Government—Federal employees, the veterans, people on Medicare and Medicaid, they all have it. Do you know what it cost us? Less than a buck—a buck—a month a premium.

And then the Republicans had the Congressional Budget Office estimate the cost of the Patients' Bill of Rights in the private sector. And you will all remember all the arguments we've had over the Congressional Budget Office, right, as they have—they've erected a veritable statue of truth for the Congressional Budget Office. So the CBO comes in and says, well, it might cost \$2 a month. And then all of a sudden the CBO was like Rodney Dangerfield and the Republican caucus—no respect any more. And they just discarded it, said, "Well, I don't believe it; I don't believe the evidence, I don't believe the study by my own people; I don't believe it. I believe what the health insurers told me."

And what happened? For the first time—did you ever believe you'd see an article which said that the doctors of the country are thinking about joining a union, organizing a union? Did you ever think? Why? This is not rocket science. If we're going to move into the 21st century, should we manage our health care system as well as possible? You bet we should. Is there a person in this room or in this country that has a vested interest in seeing a dollar wasted when people's lives are at stake? Of course not.

Take McEntee—suppose—no, look, wait a minute. Suppose he goes to a doctor at an HMO and says, well, you might have a little blockage, come back in 6 months and I'll decide whether you should see a specialist or not. Wait a minute. This is the kind of thing that happens all the time. The doctor says, "I think you should see a specialist;" the person at the HMO says, "No, I'm not sure." And I've got a lot of sympathy—I've said this a million times—I've got a lot of sympathy for those young employees at the HMO's. Those of us who aren't so young anymore, put yourself in their position—suppose you're 25 years old and you're the first entry point on the claim. What do you know if you like your job? You will never get in trouble for saying no. Right? You never get in trouble for saying, no. They'll just kick the decision up. And you think, "Well, sooner or later this will get to a doctor and if I'm wrong, the doctor will do right." Now, it may take too long and the damage may be irreparable.

So we said, let the doctors make the call. Maybe they'll do it when they shouldn't, but it's worth the risk to save lives and to save quality of life and to save health care. We said that if you get hurt—God forbid—going out to dinner tonight, a car runs up on the curb and hits you, you ought to go to the nearest emergency room, not the one your plan happens to cover. And we said that if you're 6-months pregnant and you're having a difficult pregnancy, and you work for a small business and your employer has to change plans in the middle of your pregnancy, you shouldn't be forced to change your ob-gyn, your obstetrician. You shouldn't be forced to. Or if you're in the middle of

a chemotherapy treatment which may determine whether you live or not—which is traumatic enough anyway—and your employer has to change providers, you ought to at least finish the treatment.

And all this stuff would cost, they said, two bucks a month. So what harm could it do to give that kind of peace of mind to the country? But the HMO's said, no, so they beat it. Now, I think the HMO's would be better off if America were healthier. I mean, we'd all pay premiums, and they'd get to keep more of them because they wouldn't have to spend as much on hospital bills and surgical bills. It's just what I think.

I believe that we ought to always think about what's best for the largest number of our people and the rest of us are going to do fine. And if you look at the decisions facing us over this budget—the big issues here involve a debate that if I had told you in '92, when you were helping me get elected President, we'd be talking about now, you'd say, "You know, I like that young fellow, but he's crazy." [Laughter] If I had said to you, vote for me and in 6 years we'll be debating what to do with this surplus—you think about it; we had a \$290 billion deficit, we quadrupled the debt in 12 years—I say, "I want you to vote for me because we'll have a huge debate 6 years from now about what to do with the surplus"—you'll say "That kid is too nuts to be President." You will never be for him. Right?

So, we're having the debate. And what they say is, don't let—we seem to have an agreement, although it's not complete, on not spending the Social Security tax portion of the surplus, and putting that against Social Security. And that's a very good thing. I don't want to minimize that—although, the agreement is not complete. But then they say, "Well, we'll spend the rest of the surplus on a tax cut, we'll give the people back their money." It's very appealing—and that their tax cut is bigger than our tax cut.

What they don't say is to fund their tax cut you can do nothing to add a day to the life of the Medicare Trust Fund, with the baby boomers coming down the pike. You will have to have massive cuts in education and other domestic spending. They can't even fund my defense budget, much less the

one they say they're for. And we won't pay the debt off.

What I have done is to ask the American people to think about today, but also think about 10 and 20 years from today—what made us strong. And I just mention three things: the aging of America, the education of our children, and the health of our economy.

The aging of America means that we'll have twice as many people over 65 in 30 years as we do today—twice as many. I hope to be one of them. And we'll have more people drawing Social Security and Medicare and fewer people working. How are we going to bridge the gap? We have to make some changes in the programs, but we also have to put more money into Medicare.

Now, my plan saves most of the surplus for Social Security and Medicare. It also makes some reforms in Medicare that require people to pay more for the co-pay for the lab tests that often are overdone, and a modest increase in the part B premium according to inflation—which is pretty small, anyway—but in return, gets rid of all the co-pay for all the preventive screenings that keep us alive and keep us healthy in the first place, and starts a modest, but important, prescription drug benefit which would pay half the cost of prescription drugs, up to \$5,000, for most beneficiaries, and will give subsidies up to 150 percent of the poverty level and require no co-pay up to 130 percent, and no premium.

Now, I think this is a good thing to do. I think it will save money over the long run. It will keep people out of hospitals. It will keep people out of surgery. It will help people who are going to live longer anyway to live better, as well as helping a lot of people to prolong their lives. And it will relieve—it is not just a program for the elderly, because it will relieve their children of the financial burden of caring for them so they can invest their money raising their grandchildren.

So I believe that we should save Social Security and Medicare first. Then I believe we should continue what we've been doing the last 6 years, our investments in the things that are fundamental to our future, especially the education of our children. You know, by