

June 22 / Administration of William J. Clinton, 2000

- judicial process is null and void with respect to any property or interest in property blocked pursuant to the order; and
- that all heads of departments and agencies of the United States Government shall continue to take all appropriate measures within their authority to further the full implementation of the HEU Agreements.

The effect of this Executive Order is limited to property that is directly related to the implementation of the HEU Agreements. Such property will be clearly defined by the regulations, orders, directives, or licenses that will be issued pursuant to this Executive Order.

I am enclosing a copy of the Executive Order I have issued. The order is effective at 12:01 a.m. eastern daylight time on June 22, 2000.

WILLIAM J. CLINTON

The White House,
June 21, 2000.

NOTE: This message was released by the Office of the Press Secretary on June 22. The Executive order of June 21 is listed in Appendix D at the end of this volume.

Message to the Congress Transmitting a Report on the National Emergency With Respect to Iran

June 21, 2000

To the Congress of the United States:

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), I transmit herewith a 6-month periodic report on the national emergency with respect to Iran that was declared

in Executive Order 12170 of November 14, 1979.

WILLIAM J. CLINTON

The White House,
June 21, 2000.

NOTE: This message was released by the Office of the Press Secretary on June 22.

Remarks on Medicare Prescription Drug Benefit and Tobacco Litigation Legislation and an Exchange With Reporters

June 22, 2000

The President. Good morning. Before I leave, I would like to make a couple of comments about two questions now before Congress: first, whether to provide a voluntary prescription drug benefit to Medicare beneficiaries; and second, whether to hold tobacco companies, not taxpayers, accountable for the costs of tobacco.

Both issues require a bipartisan response. Both are important to the health of our people. Both require Congress look for the public interest, not the special interest. That's especially true when it comes to our seniors and their need for affordable, dependable prescription drug coverage. I have proposed that all our sen-

iors have that option through Medicare, wherever they live, however sick they may be.

Now, Republicans in Congress say they, too, want a prescription drug benefit. They've even hired pollsters, according to your reports, to teach them all kinds of new words to convince the American people they are in favor of it. But the latest plan doesn't measure up to the rhetoric.

Last night, in a completely party-line vote, the House Ways and Means Committee approved a private insurance benefit that many seniors and many people with disabilities simply will not be able to afford. It's a benefit for

the companies who make the drugs, not the seniors who need them most. Moreover, their bill would do nothing for the hospitals, home health care agencies, and other providers who clearly need extra help to provide quality care under the Medicare program.

I hope when the full House considers this issue, it will reject this false promise and vote instead for a proposal that provides a real and meaningful Medicare prescription drug benefit on a voluntary basis, but one that is affordable and available to all seniors who need it.

If the House acts to protect the public health, it would be following the fine example it set earlier this week when it permitted the Department of Veterans Affairs to help to fund the Justice Department's litigation against the tobacco companies. This modest investment of VA funds can help our veterans and other taxpayers recover billions of dollars in health care costs, a substantial sum that will improve health care for veterans and for all Americans.

This shows what we can accomplish when we put the public interest ahead of special interests, the public interest ahead of partisan disputes. But it's only a first step. Today the House can move further ahead if it votes to allow the Justice Department to receive these and other funds.

Tuesday's victory for veterans and taxpayers will prove to be hollow if today the House reverses itself. The tobacco companies and their powerful allies in Congress are working overtime to pass special protections to shield them from financial responsibility for the harm they've caused. So again I ask Congress, just let the American people have their day in court. The legal responsibility of the tobacco companies should be decided by judicial process, not by the political process.

The health of our people is a precious resource. Those of us in public life should be doing everything we can to work together, whether we're working to provide affordable prescription drug coverage or to demand accountability for the health care costs of tobacco. In the days and months ahead, I will continue to work with members of both parties to achieve these goals.

Thank you very much.

Gasoline Prices

Q. Sir, on gasoline prices, the Vice President was very direct and forthright yesterday, sir, in

his accusations that there is collusion among the oil companies to inflate prices. Do you share those sentiments, and what are your thoughts on this becoming a preeminent issue in the Presidential campaign?

The President. Well, first of all, let's look at the problem here. This is a big problem, because there are a lot of Americans that have to drive to make a living. They have to drive distances just to make a living. Then you've got all these truckers out there that have to pay big fuel costs to make a living. And something that there hasn't been a lot of talk about, but if this thing can't be moderated, it's also going to have, I think, quite a burdensome impact on the airline companies, on the cost of air travel. So this is going to rattle throughout our economy.

I have said repeatedly, and I will say again, I think that it is in the best interest of the people of the United States, but also the oil-producing companies, to have oil prices somewhere in the neighborhood of \$20 to \$25 a barrel. That gives them the revenues they need. It keeps the incentives in our economy to continue to become more energy efficient, and it doesn't bankrupt people that have to have fuel in substantial quantities. So this is a big problem.

Now, I have a lot of concerns about the speed with which this runup occurred. I expected some upward pressure on prices because our economy is doing well and because the Asian economy is coming back, the European economy is coming back, so there would be a bigger global demand for oil and there would be some upward pressure. But it doesn't explain, by a long stretch, the dramatic increase in prices. Neither does the requirement for special additives to reduce air pollution even come close to explaining the increase in the Chicago-Milwaukee area. We're talking about 2 or 3 cents a gallon for the environmental requirements, and that won't come close to explaining prices that are 50 cents a gallon higher than they are in other places.

So the proper thing to do, I think, is to have a vigorous inquiry by the Federal Trade Commission; they're going to do this. If you've noticed, there's some indication that the best evidence to support the statement the Vice President made is that 2 days after the call went out for the Federal Trade Commission to investigate this, there was a 16-cent-a-gallon

drop in the price of the oil at the refinery level. Now, that hasn't manifested itself at the pump yet, because it takes time for this oil to be refined and to be distributed and to be sold as fuel. But I'm very concerned about it.

Let me say, I guess the followup question—and I don't want to anticipate it, but you know, there are all these stories about, well, is this or is this not a political issue, and who does it help or hurt? And I think the important thing is, this country should have a bipartisan or a nonpartisan interest in a long-term, stable energy policy, and there are several things the Congress can do right now to help that. And I would like to just go through them, because I mentioned several of them earlier this year.

But let me just mention—first of all, you will remember I sent a proposal to Congress earlier this year to encourage more stripper well production in the United States. The Congress needs to pass that. We need to get some of these American wells back in operation now. The price will make it quite profitable, but we can do some things to jump-start that.

Secondly, the Congress still has not reauthorized the Strategic Petroleum Reserve, which ties the President's hands; it undermines one of the options we have to maintain downward pressure on the oil prices but also to deal with any emergencies that might crop up.

Thirdly, because of the failure to reauthorize the Strategic Petroleum Reserve, there is a cloud over the question of whether we can establish a regional home heating oil reserve for the mid-Atlantic and the Northeastern States that rely so heavily on home heating oil. And if these prices in fuel are any indication and the oil prices stay above \$30 a barrel, we're going to have serious problems in the Northeast this winter unless we have that reserve and we can move home heating oil in there in a hurry.

So let me just go through a couple of other things. Fourthly, I have for years now asked the Congress to fund research and development into alternative energy, into the partnership for new generation vehicles. I have proposed for over 2 years a \$4 billion set of tax incentives for manufacturers and consumers to buy energy-efficient cars, homes, and consumer products. I've proposed a total spending of \$1.4 billion this year for the Department of Energy for renewable energy, for the development of natural gas, for distribution of power methodologies that will save consumers a lot of money. And on

balance, Congress has approved about 12 percent of the funds I've asked to be spent for these things that will clearly lower energy bills and help the economy.

And the last thing I would say is, for 2 or 3 years, I've had the electricity restructuring bill up there, that we estimate would save consumers in America \$20 billion a year in energy costs by the more efficient distribution and sales of electricity.

So there are things that the Congress can do, that I would hope they would do on a bipartisan basis and do quickly, that would help us to have a better long-term energy policy and would begin to show immediate benefits for a lot of people who could take advantage of these laws if we could just go ahead and pass them. So we need to do the stripper wells. We need to pass the tax incentives to buy more energy-efficient cars, homes, and other products, and we need to stop spending about 12 percent a year of what we should be spending to develop alternative energy sources. And the electricity restructuring act needs to pass. So those are things we could do together in a bipartisan way to show movement.

Meanwhile, we need an aggressive inquiry by the FTC. There is no economic explanation I can think of for the runup in the prices, particularly in the Middle West, and I want this thing to continue.

Secretary of Energy Bill Richardson

Q. Mr. President, Bill Richardson was grilled pretty badly yesterday by the Republicans, and even Senator Byrd, and they didn't make the Secretary feel very good yesterday. What do you think of the hearing, the way it's done, and do you still have full confidence in Mr. Richardson?

The President. Well, first of all, I think the short answer to your question is, yes, I do. He came in there and faced a whole host of problems, and I think that in every case he's dealt with them in a forthright and aggressive manner. They're getting to the bottom of this last issue, I think, pretty quickly with the help of good work by the FBI and others.

But it's a very serious matter, so the administration should expect to be asked hard questions about it, and we should figure out not only what happened in this case but how to keep such things from happening in the future. You

have to expect that you'll have tough congressional hearings when you have something really serious. And I don't have a problem with a tough hearing, but I do have confidence in him. He's worked hard on this, trying to do the right thing.

China Trade Legislation

Q. Mr. President, what is your view of Senator Lott's handling of the China trade bill, and are you concerned that the delay is now endangering chances for final passage?

The President. I was very concerned when I heard that the delay might run into September. Now, I believe we have agreement, as you've seen reported and as you have reported, to bring up the China bill shortly after the Fourth of July recess. Obviously, I wish we could have voted on it before the Fourth of July recess, but there are some issues there. There are some Members in the Senate that want to offer amendments, just like in the House, and there's some work to be done.

I met with a group of Senators yesterday, a bipartisan group, and we'll continue to work it hard. But I think we're on schedule now for a timely vote. And I had a good visit with Senator Lott about it, and I think we're on the same page. We're working together, and I look forward to a successful conclusion of this in July.

Midsession Review

Q. In the upcoming midsession review, with the additional budget surplus you're anticipating, are you planning to propose a speedup in the catastrophic coverage under your Medicare prescription drug plan?

The President. I'll have some more to say about that next week when we've got the formal numbers. But let me say, as you have reported, there will be some upward revision in the projections, and that's good news.

I guess in this season we ought to be crowing about it. But we've come a long way over the last 8 years by being prudent. And one of the things that you can be sure I'll do is to reflect a recommendation that the Vice President made, that we wall off that portion of the surplus due to Medicare taxes like we've walled off that portion due to Social Security taxes so that we can pay down the debt more, and that would protect at least 20 percent of this pro-

jected surplus from either being spent or used on tax cuts.

But I think the most important thing you should remember is, we don't have any of that money yet; that's what we think will happen. These are the—keep in mind, when I became President, they were forecasting a \$400 billion budget deficit for this year alone. And we worked very hard to turn that around. We should invest more; we should have a substantial tax cut for our people focused on the things that are most needed. But we shouldn't remember what got us to the dance here. What got us to the dance, what got us to this unbelievable point to have this discussion at all, was discipline—fiscal discipline, arithmetic, being careful, understanding that a projection is just that.

I think it would be a grave error to plan to spend every penny of this, particularly on tax cuts or other things that are so unavoidable because they may not get it back. Now, you can say, "This is my plan for education," for example, and if the money doesn't come up, then you don't have to spend it. But if you spend all this in tax cuts or some other mandated fashion on the front end and it doesn't materialize, then you'll be right back into deficits, right back into higher interest rates. And I think, frankly, just the whole legislative process, if that's the track we're on, would lead to an immediate increase in interest rates which would slow the economy down and keep those surpluses from materializing.

So my caution to everybody involved in this is prudence. We got here by being disciplined and prudent. Don't get off of that. Keep paying the debt down, and there will be more money than there would be if you tell everybody how you're going to spend it and then it doesn't show up.

Q. Won't there be greater room for debt reduction as well as greater tax relief and other changes?

The President. Yes, you can have both, but you can't—but I think it's a mistake to plan to spend it all. Because what are you going to do if it doesn't materialize—particularly if you plan to spend it all on the tax side, because if you do that and the money doesn't materialize, the tax cuts are still on the law.

You can say, "Well, if it comes, I would like to spend it on certain things," and then if it doesn't show up, you don't spend it, because we do the spending every year. So I'll have

more to say about it next week when we'll have more time to talk about it in detail.

Colombia

Q. Sir, on Colombia, after the Senate's endorsement last night of the appropriation, are you optimistic that you will get the funding for Operation Colombia before losing so much ground it will be impossible to make it back up?

The President. Well, first, I'd like to compliment the Senate and the bipartisan vote. I'm grateful for it. As you know, there were some differences in the Senate bill and the House bill, first of all, a not insubstantial financial difference—I think about \$300 million over 2 years—and then some differences in how the money would be allocated. But I'm encouraged that we could maybe get the differences between the Senate proposal and the House proposal worked out.

The second part of your question is really a question that neither I nor anyone else is qualified to answer, that is, it requires conjecture. I think, as I've said all along, sooner is better than later. The quicker we can reach agreement and show that the United States is committed to democracy and to fighting the drug wars in Colombia and to strengthening the oldest democracy in Latin America, the better off we're going to be. The quicker we do it, the quicker the Colombians will be able to get Europeans and others who are very sympathetic

with them to come in and do their part, the more appealing it will be for the international financial institutions.

We haven't had a chance to talk about this much because there are so many other things going on. But those people, they're in the fight of their lives for their very way of life, with the combined pressure of a guerrilla war that's been going on for decades and the rise of the narco-traffickers over the last two decades.

I don't think the average American can imagine what it would be like to live in a country where a third of the country, on any given day, may be in the hands of someone that is an enemy, an adversary of the nation-state. I don't think we can even imagine what that would be like. Just, you know, driving through Washington, DC, and you've got a one-in-three chance of being in a neighborhood that your Government and the law of the land doesn't prevail in. This is a huge, huge issue. And again, I'm grateful to the Senate, and I'm grateful it was done on such a bipartisan basis, and we just need to get it done as quickly as possible.

Now, on Monday or so, I'll be back with something on the mid-session review, and we'll have a chance for more questions next week.

Thank you.

NOTE: The President spoke at 10 a.m. in the South Portico at the White House, prior to his departure for Phoenix, AZ.

Remarks at a Federal Victory Fund Reception in Phoenix, Arizona

June 22, 2000

Thank you very much. I appreciate the standing ovation. [*Laughter*] Let me say I'm delighted to be back in Arizona again. If you only knew how many times I complained that I wasn't coming out here enough, you'd really be impressed. [*Laughter*] I love coming here.

I want to say, in his absence, that Bruce Babbitt has done a magnificent job as Secretary of the Interior, and I'm very proud of him. We had some rocky issues in the first couple of years, and we still do some things that our friends in the Republican Party don't agree with. But we decided together—and we've been friends for many years because we served as

Governors together—that all these emerging issues in the West, the challenges of reconciling all this growth with the environmental challenges, basically were ignored by the other party when they were in power, and they normally did well in the elections because the Federal Government wasn't getting in anybody's hair. And then when the Democrats got in, they tended to try to deal with them, but in a way that alienated so many people, we found further behind. So we decided that we would not ignore them, but we'd try to do it in a way that would make connections with people at the grassroots