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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release May 20, 1997

PRESIDENT CLINTON NAMES JAMES W. PARDEW AS U.S. REPRESENTATIVE FOR MILITARY STABILIZATION IN THE BALKANS

WITH RANK OF AMBASSADOR

President Clinton today announced his intent to nominate James W. Pardew as U.S. Representative for Military Stabilization in the Balkans with rank of Ambassador at the Department of State.

James W. Pardew, of Springfield, Virginia, served as the representative of the Secretary of Defense to the U.S. peace negotiating team that reached the Dayton Peace Agreement in the Former Yugoslavia. Prior to this, he was Director of the Balkan Task Force in the Office of the Secretary of Defense. Mr. Pardew is the recipient of the Secretary of State's Distinguished Service Award, the Department of Defense Medal for Distinguished Civilian Service, and National Intelligence Distinguished Service Medal. He earned a B.S. degree from Arkansas State University in 1966, and a Master of Arts degree in Political Science from Loyola University of Chicago in 1973. Mr. Pardew completed service in the U.S. Army with the rank of Colonel. His military decorations include the Defense Superior Service Medal, Legion of Merit (2) and Bronze Star (2).

In his capacity as U.S. Representative for Military Stabilization in the Balkans, Mr. Pardew will head the interagency Task Force for Military Stabilization that implements the Bosnia Train-and-Equip Program.

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release May 28, 1997

TO THE CONGRESS OF THE UNITED STATES:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the Federal Register and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice to the Federal Register for publication, stating that the emergency declared with respect to the Federal Republic of Yugoslavia (Serbia and Montenegro), as expanded to address the actions and policies of the Bosnian Serb forces and the authorities in the territory that they control within the Republic of Bosnia and Herzegovina, is to continue in effect beyond May 30, 1997.

On December 27, 1995, I issued Presidential Determination No. 96-7, directing the Secretary of the Treasury, inter alia, to suspend the application of sanctions imposed on the Federal Republic of Yugoslavia (Serbia and Montenegro) and to continue to block property previously blocked until provision is made to address claims or encumbrances, including the claims of the other successor states of the former Yugoslavia. This sanctions relief, in conformity with United Nations Security Council Resolution 1022 of November 22, 1995 (hereinafter the "Resolution"), was an essential factor motivating Serbia and Montenegro's acceptance of the General Framework Agreement for Peace in Bosnia and Herzegovina initialed by the parties in Dayton on November 21, 1995, and signed in Paris on December 14, 1995 (hereinafter the "Peace Agreement"). The sanctions imposed on the Federal Republic of Yugoslavia (Serbia and Montenegro) were accordingly suspended prospectively, effective January 16, 1996. Sanctions imposed on the Bosnian Serb forces and authorities and on the territory that they control within the Republic of Bosnia and Herzegovina were subsequently suspended prospectively, effective May 10, 1996, also in conformity with the Peace Agreement and the Resolution.

Sanctions against both the Federal Republic of Yugoslavia (Serbia and Montenegro) and the Bosnian Serbs were subsequently terminated by United Nations Security Council Resolution 1074 of October 1, 1996. This termination, however, did not end the requirement of the Resolution that blocked funds and assets that are subject to claims and encumbrances remain blocked, until unblocked in accordance with applicable law. In the last year, substantial progress has been achieved to bring about a settlement of the conflict in the former Yugoslavia acceptable to the parties. Elections occurred in the Republic of Bosnia and Herzegovina, as provided for in the Peace Agreement, and the Bosnian Serb forces have continued to respect the zones of separation as provided in the Peace Agreement. The ultimate disposition of the various remaining categories of blocked assets are now being addressed, beginning with the unblocking of five Yugoslav vessels located in various United States ports effective May 19, 1997.

Until the status of all remaining blocked property is resolved, the Peace Agreement implemented, and the terms of the Resolution met, this situation continues to pose a continuing unusual and extraordinary threat to the national security, foreign policy interests, and the economy of the United States. For these reasons, I have determined that it is necessary to maintain in force these emergency authorities beyond May 30, 1997.

WILLIAM J. CLINTON

THE WHITE HOUSE,

May 28, 1997.

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release May 28, 1997

NOTICE

CONTINUATION OF EMERGENCY WITH RESPECT TO THE FEDERAL REPUBLIC
OF YUGOSLAVIA (SERBIA AND MONTENEGRO) AND THE BOSNIAN SERBS

On May 30, 1992, by Executive Order 12808, President Bush declared a national emergency to deal with the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States constituted by the actions and policies of the Governments of Serbia and Montenegro, blocking all property and interests in property of those Governments. President Bush took additional measures to prohibit trade and other transactions with the Federal Republic of Yugoslavia (Serbia and Montenegro) by Executive Orders 12810 and 12831, issued on June 5, 1992, and January 15, 1993, respectively. On April 25, 1993, I issued Executive Order 12846, blocking the property and interests in property of all commercial, industrial, or public utility undertakings or entities organized or located in the Federal Republic of Yugoslavia (Serbia and Montenegro), and prohibiting trade-related transactions by United States persons involving those areas of the Republic of Bosnia and Herzegovina controlled by Bosnian Serb forces and the United Nations Protected Areas in the Republic of Croatia. On October 25, 1994, because of the actions and policies of the Bosnian Serbs, I expanded the scope of the national emergency by issuing Executive Order 12934 to block the property of the Bosnian Serb forces and the authorities in the territory that they control within the Republic of Bosnia and Herzegovina, as well as the property of any entity organized or located in, or controlled by any person in, or resident in, those areas.

On December 27, 1995, I issued Presidential Determination No. 96-7, directing the Secretary of the Treasury, inter alia, to suspend the application of sanctions imposed on the Federal Republic of Yugoslavia (Serbia and Montenegro) pursuant to the above-referenced Executive orders and to continue to block property previously blocked until provision is made to address claims or encumbrances, including the claims of the other successor states of the former Yugoslavia. This sanctions relief, in conformity with United Nations Security Council Resolution 1022 of November 22, 1995 (hereinafter the "Resolution"), was an essential factor motivating Serbia and Montenegro's acceptance of the General Framework Agreement for Peace in Bosnia and Herzegovina initialed by the parties in Dayton on November 21, 1995, and signed in Paris on December 14, 1995 (hereinafter the "Peace Agreement"). The sanctions imposed on the Federal Republic of Yugoslavia (Serbia and Montenegro) were accordingly suspended prospectively, effective January 16, 1996. Sanctions imposed on the Bosnian Serb forces and authorities and on the territory that they control within the Republic of Bosnia and Herzegovina were subsequently suspended prospectively, effective May 10, 1996, also in conformity with the Peace Agreement and the Resolution. Sanctions against both the Federal Republic of Yugoslavia (Serbia and Montenegro) and the Bosnian Serbs were subsequently terminated by United Nations Security Council Resolution 1074 of October 1, 1996. This termination, however, did not end the requirement of the Resolution that blocked funds and assets that are subject to claims and encumbrances remain blocked, until unblocked in accordance with applicable law.

In the last year, substantial progress has been achieved to bring about a settlement of the conflict in the former Yugoslavia acceptable to the parties. Elections occurred in the Republic of Bosnia and Herzegovina, as provided for in the Peace Agreement, and the Bosnian Serb forces have continued to respect the zones of separation as provided in the Peace Agreement. The ultimate disposition of the various remaining categories of blocked assets is now being addressed, beginning with the unblocking of five Yugoslav vessels located in various United States ports effective May 19, 1997.

Until the status of all remaining blocked property is resolved, the Peace Agreement implemented, and the terms of the Resolution met, the national emergency declared on May 30, 1992, as expanded in scope on October 25, 1994, and the measures adopted pursuant thereto to deal with that emergency must continue beyond May 30, 1997.

Therefore, in accordance with section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), I am continuing the national emergency with respect to the Federal Republic of Yugoslavia (Serbia and Montenegro) and the Bosnian Serb forces and those areas of the Republic of Bosnia and Herzegovina under the control of the Bosnian Serb forces. This notice shall be published in the Federal Register and transmitted to the Congress.

WILLIAM J. CLINTON

THE WHITE HOUSE,

May 28, 1997.

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release May 30, 1997

TO THE CONGRESS OF THE UNITED STATES:

On May 30, 1992, by Executive Order 12808, President Bush declared a national emergency to deal with the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States constituted by the actions and policies of the Governments of Serbia and Montenegro, blocking all property and interests in property of those Governments. President Bush took additional measures to prohibit trade and other transactions with the Federal Republic of Yugoslavia (Serbia and Montenegro) by Executive Orders 12810 and 12831, issued on June 5, 1992, and January 15, 1993, respectively.

On April 25, 1993, I issued Executive Order 12846, blocking the property and interests in property of all commercial, industrial, or public utility undertakings or entities organized or located in the Federal Republic of Yugoslavia (Serbia and Montenegro) (the "FRY (S&M)"), and prohibiting trade-related transactions by United States persons involving those areas of the Republic of Bosnia and Herzegovina controlled by the Bosnian Serb forces and the United Nations Protected Areas in the Republic of Croatia. On October 24, 1994, because of the actions and policies of the Bosnian Serbs, I expanded the scope of the national emergency by issuance of Executive Order 12934 to block the property of the Bosnian Serb forces and the authorities in the territory that they control within the Republic of Bosnia and Herzegovina, as well as the property of any entity organized or located in, or controlled by any person in, or resident in, those areas.

On November 22, 1995, the United Nations Security Council passed ("Resolution 1022"), immediately and indefinitely suspending economic sanctions against the FRY (S&M). Sanctions were subsequently lifted by the United Nations Security Council pursuant to Resolution 1074 on October 1, 1996. Resolution 1022, however, continues to provide for the release of funds and assets previously blocked pursuant to sanctions against the FRY (S&M), provided that such funds and assets that are subject to claims and encumbrances, or that are the property of persons deemed insolvent, remain blocked until "released in accordance with applicable law."

This provision was implemented in the United States on December 27, 1995, by Presidential Determination No. 96-7. The Determination, in conformity with Resolution 1022, directed the Secretary of the Treasury, inter alia, to suspend the application of sanctions imposed on the FRY (S&M) pursuant to the above-referenced Executive orders and to continue to block property previously blocked until provision is made to address claims or encumbrances, including the claims of the other successor states of the former Yugoslavia. This sanctions relief was an essential factor motivating Serbia and Montenegro's acceptance of the General Framework Agreement for Peace in Bosnia and Herzegovina initialed by the parties in Dayton on November 21, 1995 (the "Peace Agreement") and signed in Paris on December 14, 1995. The sanctions imposed on the FRY (S&M) and on the United Nations Protected Areas in the Republic of Croatia were accordingly suspended prospectively, effective January 16, 1996. Sanctions imposed on the Bosnian Serb forces and authorities and on the territory that they control within the Republic of Bosnia and Herzegovina were subsequently suspended prospectively, effective May 10, 1996, in conformity with UNSCR 1022. On October 1, 1996, the United Nations passed UNSCR 1074, terminating U.N. sanctions against the FRY (S&M) and the Bosnian Serbs in light of the elections that took place in Bosnia and Herzegovina on September 14, 1996. UNSCR 1074, however, reaffirms the provisions of UNSCR 1022 with respect to the release of blocked assets, as set forth above.

The present report is submitted pursuant to 50 U.S.C. 1641(c) and 1703(c) and covers the period from November 30, 1996, through May 29, 1997. It discusses Administration actions and expenses directly related to the exercise of powers and authorities conferred by the declaration of a national emergency in Executive Order 12808 as expanded with respect to the Bosnian Serbs in Executive Order 12934, and against the FRY (S&M) contained in Executive Orders 12810, 12831, and 12846.

1. The declaration of the national emergency on May 30, 1992, was made pursuant to the authority vested in the President by the Constitution and laws of the United States, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the National Emergencies Act (50 U.S.C. 1601 et seq.), and section 301 of title 3 of the United States Code. The emergency declaration was reported to the Congress on May 30, 1992, pursuant to section 204(b) of the International Emergency Economic Powers Act (50 U.S.C. 1703(b)) and the expansion of that national emergency under the same authorities was reported to the Congress on October 25, 1994. The additional sanctions set forth in related Executive orders were imposed pursuant to the authority vested in the President by the Constitution and laws of the United States, including the statutes cited above, section 1114 of the Federal Aviation Act (49 U.S.C. App. 1514), and section 5 of the United Nations Participation Act (22 U.S.C. 287c).
2. The Office of Foreign Assets Control (OFAC), acting under authority delegated by the Secretary of the Treasury, implemented the sanctions imposed under the foregoing statutes in the Federal Republic of Yugoslavia (Serbia and Montenegro) and Bosnian Serb-Controlled Areas of the Republic of Bosnia and Herzegovina Sanctions Regulations, 31 C.F.R. Part 585 (the "Regulations"). To implement Presidential Determination No. 967, the Regulations were amended to authorize prospectively all transactions with respect to the FRY (S&M) otherwise prohibited (61 FR 1282, January 19, 1996). Property and interests in property of the FRY (S&M) previously blocked within the jurisdiction of the United States remain blocked, in conformity with the Peace Agreement and UNSCR 1022, until provision is made to address claims or encumbrances, including the claims of the other successor states of the former Yugoslavia.

On May 10, 1996, OFAC amended the Regulations to authorize prospectively all transactions with respect to the Bosnian Serbs otherwise prohibited, except with respect to property previously blocked (61 FR 24696, May 16, 1996). On December 4, 1996, OFAC amended Appendices A and B to 31 C.F.R. chapter V, containing the names of entities and individuals in alphabetical order and by location that are subject to the various economic sanctions programs administered by OFAC, to remove the entries for individuals and entities that were determined to be acting for or on behalf of the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro). These assets were blocked on the basis of these persons' activities in support of the FRY (S&M) -- activities no longer prohibited -- not because the Government of the FRY (S&M) or entities located in or controlled from the FRY (S&M) had any interest in those assets (61 FR 64289, December 4, 1996). A copy of the amendment is attached to this report.

On April 18, 1997, the Regulations were amended by adding a new section 585.528, authorizing all transactions after 30 days with respect to the following vessels that remained blocked pursuant to the Regulations, effective at 10:00 a.m. local time in the location of the vessel on May 19, 1997: the M/V MOSLAVINA, M/V ZETA, M/V LOVCEN, M/V DURMITOR and M/V BAR (a/k/a M/V INVIKEN) (62 FR 19672, April 23, 1997). During the 30-day period, United States persons were authorized to negotiate settlements of their outstanding claims with respect to the vessels with the vessels' owners or agents and were generally licensed to seek and obtain judicial warrants of maritime arrest. If claims remained unresolved 10 days prior to the vessels' unblocking (May 8, 1997), service of the warrants could be effected at that time through the United States Marshal's Office in the district where the vessel was located to ensure that United States creditors of a vessel had the opportunity to assert their claims. Appendix C to 31 CFR, chapter V, containing the names of vessels blocked pursuant to the various economic sanctions programs administered by OFAC (61 FR 32936, June 26, 1996), was also amended to remove these vessels from the list effective May 19, 1997. A copy of the amendment is attached to this report.

3. Over the past year, the Departments of State and the Treasury have worked closely with European Union member states and other U.N. member nations to implement the provisions of UNSCR 1022. In the United States, retention of blocking authority pursuant to the extension of a national emergency provides a framework for administration of an orderly claims settlement. This accords with past policy and practice with respect to the suspension of sanctions regimes.

4. During this reporting period, OFAC issued seven specific licenses regarding transactions pertaining to the FRY (S&M) or assets it owns or controls. Specific licenses have been issued (1) to authorize the unblocking of certain funds and other financial assets previously blocked; (2) for the payment of crews' wages, vessel maintenance, and emergency supplies for FRY (S&M)-controlled ships blocked in the United States; and (3) to authorize performance of certain transactions under pre-sanctions contracts.

During the past 6 months, OFAC has continued to oversee the maintenance of blocked accounts and records with respect to: (1) liquidated tangible assets and personalty of the 15 blocked United States subsidiaries of entities organized in the FRY (S&M); (2) the blocked personalty, files, and records of the two Serbian banking institutions in New York previously placed in secure storage; (3) remaining tangible property, including real estate; and (4) the 5 Yugoslav-owned vessels recently unblocked in the United States.

5. Despite the prospective authorization of transactions with the FRY (S&M), OFAC has continued to work closely with the United States Customs Service and other cooperating agencies to investigate alleged violations that occurred while sanctions were in force.

Since my last report, OFAC has collected six civil monetary penalties totaling nearly \$39,000 for violations of the sanctions. These violations included prohibited imports, exports, contract dealings, and payments to the Government of the FRY (S&M), persons in the FRY (S&M), or to blocked entities owned or controlled by the FRY (S&M).

6. The expenses incurred by the Federal Government in the 6-month period from November 30, 1996, through May 29, 1997, that are directly attributable to the declaration of a national emergency with respect to the FRY (S&M) and the Bosnian Serb forces and authorities are estimated at approximately \$400,000, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in OFAC and its Chief Counsel's Office, and the United States Customs Service), the Department of State, the National Security Council, and the Department of Commerce.

7. In the last year and a half, substantial progress has been achieved to bring about a settlement of the conflict in the former Yugoslavia acceptable to the parties. UNSCR 1074 terminates sanctions in view of the first free and fair elections to occur in the Republic of Bosnia and Herzegovina, as provided for in the Peace Agreement. In reaffirming Resolution 1022, however, UNSCR 1074 contemplates the continued blocking of assets potentially subject to conflicting claims and encumbrances until provision is made to address them under applicable law, including claims of the other successor states of the former Yugoslavia.

The resolution of the crisis and conflict in the former Yugoslavia that has resulted from the actions and policies of the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro), and of the Bosnian Serb forces and the authorities in the territory that they control, will not be complete until such time as the Peace Agreement is implemented and the terms of UNSCR 1022 have been met. Therefore, I have continued for another year the national emergency declared on May 30, 1992, as expanded in scope on October 25, 1994, and will continue to enforce the measures adopted pursuant thereto.

I shall continue to exercise the powers at my disposal with respect to the measures against the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro), and the Bosnian Serb forces, civil authorities, and entities, as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments pursuant to 50 U.S.C. 1703(c).

WILLIAM J. CLINTON

THE WHITE HOUSE,

May 30, 1997.

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THE WHITE HOUSE

Office of the Press Secretary
(Warsaw, Poland)

BACKGROUND BRIEFING
BY
SENIOR ADMINISTRATION OFFICIAL

July 10, 1997

The Briefing Room

3:50 P.M. (L)

Q The question was, whether the President was briefed on the possibility of this action going forward, whether or not this was a subject discussed among the NATO leaders, and I'll also throw in whether or not you can tell us -- there have been reports that there are other movements expected today -- whether there's anything you can tell us about that.

SENIOR ADMINISTRATION OFFICIAL: With respect to the President, the President was originally briefed about this operation either right before or on July 4th weekend. It was a subject then of discussion among senior administration officials involved with national security matters. The President approved U.S. participation in this operation on July 5th, I believe. He was, at that point, already out of the country -- spoke to him on the phone.

With respect to whether this was discussed in Madrid, it was not a part of the formal discussions. I can't tell you that it not discussed in one-on-one conversations that may have taken place, but it was not the subject of a discussion around the table. And with respect to further actions, obviously I'm not going to comment.

Q The obvious question is why didn't you go after the big war criminals whose names have been bandied about now for three or four years?

SENIOR ADMINISTRATION OFFICIAL: Rules of engagement and the authority the SFOR forces permit the commander in a particular situation when he encounters or is encountering war criminals and believes that he has a tactical capacity to apprehend in a way that is not unduly risky to exercise that authority. That continues to be the authority. No war criminal is immune from or exempt from that possibility. This was an operation -- those rules adapted in a situation with sealed indictments where SFOR was encountering these people quite freely and quite frequently, and had the opportunity, they believe, to seize them in a way that was deemed to be of acceptable risk.

Q Was this particular snatch in the mind of the President on the 4th, or was it a generic notion that under the circumstances you've just described, it would be all right to go ahead?

SENIOR ADMINISTRATION OFFICIAL: This particular operation.

Q This particular operation. Well, is this something about this particular operation -- because as you say yourself, these folks don't travel around rather freely. What was about these two guys and this operation that made it appropriate rather than some other group? How were these chosen?

SENIOR ADMINISTRATION OFFICIAL: This is a judgment that SFOR makes and the commanders make, and I would refer you to them in terms of the elements that went into this judgment. They sought approval from NATO in this time frame, and because American forces were participating, this was presented to the President and he was briefed fully on it and approved it.

Q Is this part of a new --

Q What precisely did the President approve in terms of American participation?

SENIOR ADMINISTRATION OFFICIAL: I've indicated the apprehension itself was carried out by British forces. These individuals were located in the British zone, the British sector in Prijedor. But there were some U.S. assets that were in support capacities and in transportation and logistics, but not in the apprehension itself.

Q Yesterday, we heard what sounded like a rather plaintive plea from General Joulwan to get the political leaders to give them the power to do these things, and along with that, you've had frequent sightings, apparently, of wide notoriety of the better-known two top war criminals. Why not move on them and why not give them the authority, the military the authority it asked for?

SENIOR ADMINISTRATION OFFICIAL: First of all, this was an operation that was deemed by SFOR and by NATO to be within its authority; that is, to detain war criminals that it encounters where the tactical situation permits such an apprehension. That is also the case for other indicted war criminals, none of whom are exempt from that. And those are judgments that will be made as we proceed.

Q Well, can you address General Joulwan's apparent request yesterday in public for the authority of the political leadership to go ahead and do more of this?

SENIOR ADMINISTRATION OFFICIAL: I haven't seen General Joulwan's comments, so I don't --

Q Your presenting that President Clinton is almost a passive figure who signed off on this plan. Now, are you saying this is not --

SENIOR ADMINISTRATION OFFICIAL: This is an SFOR operation.

Q But was there not a policy decision at the senior levels of the Clinton administration to interpret the current rules of engagement in a more robust or more liberal fashion to allow operations of this kind?

SENIOR ADMINISTRATION OFFICIAL: SFOR interpreted the rules to permit this operation. NATO interpreted the rules to permit this operation. And we interpreted the rules to permit this operation.

Q You're saying there's no change in the way those rules are being interpreted?

SENIOR ADMINISTRATION OFFICIAL: This is a situation, obviously, with sealed indictments that present some unique opportunities.

Q When were those indictments issued?

SENIOR ADMINISTRATION OFFICIAL: In March, by the War Crimes Tribunal.

Q If the President -- if it's part of the rules of engagement, what did the President actually have to act on, and will he have to act on every time SFOR thinks that there is some possibility of apprehending war criminals?

SENIOR ADMINISTRATION OFFICIAL: Well, I think because there were some American forces operating in the British sector in this case, we felt it was appropriate for the President to know about that, and to be informed. And he was and was fully supportive of it.

Q But is it required in future instances, to make some sort of decision?

SENIOR ADMINISTRATION OFFICIAL: Generally these are -- obviously, SFOR does not go to national capitals for every decision it makes. That authority rests with the SFOR commander and the people who work for him. But in this situation, given the particularities, it was presented to the President and he was fully supportive of it.

Q Is there any difference in action taken on sealed and open indictments?

SENIOR ADMINISTRATION OFFICIAL: No, there is no difference except in this particular case, obviously, the fact that the figures did not know that they were inditees obviously presented opportunities.

Q Just to follow up on John's question -- it seems slightly more than coincidental perhaps that this happened right after the President said, look, we have got to get more serious about really enforcing the Dayton Accords and we're talking about bringing American troops out and Europe doesn't want us to, the President said, we ought to deal with the plan that we have on hand and make it work a lot better. So is there more than coincidence? Do you think that this perhaps rejuvenated in some way the operations? Did he somehow inspire this by maybe making people take a harder look about what was possible?

Q What the President has been doing for the last really two months is seeking to, with the other allies in NATO -- allies at SFOR, to reinvigorate the Dayton process. And I think the President on many occasions has enumerated the six basic areas in which we want to see -- concentrate on in the coming year: refugee resettlement, economic reconstruction, and bringing indicted war criminals to justice. So it is obviously a priority for us. I would point out that not very long ago, in the last two or three weeks, a Serb-indicted war criminal was apprehended as he crossed over into Eastern Slavonia and has been taken to The Hague. And the President said on many occasions that he wants to be supportive of the War Crimes Tribunal and we will continue to press for that objective.

Q Is there any cause and effect here with his recent push? Because he really has talked about it and seemed to be pushing harder. Do you see a cause and effect here?

SENIOR ADMINISTRATION OFFICIAL: We are pushing harder.

Q Is the operation that the President approved completed now?

SENIOR ADMINISTRATION OFFICIAL: I believe this particular operation is completed.

Q Can you draw a distinction for us --

SENIOR ADMINISTRATION OFFICIAL: I'm not going anywhere, so don't --

Q Under this type of rules of engagement that they're operating under, couldn't they go after Karadzic? I mean, he's been seen, he's out, people know where he is.

SENIOR ADMINISTRATION OFFICIAL: Again, the authority here is to apprehend war criminals who are encountered by SFOR where the commander makes the tactical decision that he can do so, and as I said, nobody, no indicted war criminal is exempt from the reach of those rules.

Q Can you draw the distinction for us? What has made these encounters distinct and different? They encounter these guys over several days, they think the have the tactical ability to take them into custody. What is different about the encounters with the other people in which they've obviously decided they don't have the tactical superiority?

SENIOR ADMINISTRATION OFFICIAL: I don't want to make any judgments about other war criminals.

Q You talk about it's okay to apprehend them if you encounter them, but it appears in this instance that they didn't just encounter them, they pursued them. They didn't just happen to be in the hospital or happen to be outside the restaurant, they seem to have gone after them.

SENIOR ADMINISTRATION OFFICIAL: My understanding here is that -- and again, for the details I would refer you to SHAPE. But these were individuals who were indicted war criminals. That fact became known to SFOR in March. These were also individuals with which the police chief in Prijedor and the head of the hospital, which were coming into very frequent contact with SFOR. Now, either they would have had to change their pattern of contact or, in fact, pursue the mission here, and it was possible to do that with a reasonable risk, and they did so.

Q But they were coming in frequent contact with them -- what was it that was different about today? Why after so many contacts did they happen to be in the right place at the right time in a restaurant today?

SENIOR ADMINISTRATION OFFICIAL: I'm not going to get into tactical details.

Q Should Karadzic at the very least view this as a warning and are you worried at this point, or is NATO worried about any retaliation?

SENIOR ADMINISTRATION OFFICIAL: Let me answer the second question first. SFOR will act very firmly to protect not only itself, but other international personnel operating in Bosnia. We do not expect any reaction, but if there was one, SFOR would react firmly to such reaction.

Q And about the warning? I mean, is this at the very least a warning?

SENIOR ADMINISTRATION OFFICIAL: As I said before, I don't believe that any indicted war criminal in Bosnia should feel that they are outside of the reach of SFOR.

Q Does this signal a new and tougher pattern of enforcement? I realize that you said that you've picked up war criminals before, but generally without much fanfare and not very many. Should we look for more enforcement, tougher enforcement?

SENIOR ADMINISTRATION OFFICIAL: I'm not going to speculate about what may happen in the future.

Q Can you tell me, were any other NATO leaders briefed on this? Was it kept between the British and the U.S., or did this go to some other countries?

SENIOR ADMINISTRATION OFFICIAL: I believe there were some others that were briefed. I'm not sure. That really was a judgment for SFOR and NATO.

Q Are you able to get into who the others might be?

SENIOR ADMINISTRATION OFFICIAL: No.

Q This was approved by the President on the 4th, but --

SENIOR ADMINISTRATION OFFICIAL: What I said was the participation of American forces were approved.

Q Had he, when he met with Blair back in May and when they talked about Bosnia, had this been in the works then? Did they start putting this together then?

SENIOR ADMINISTRATION OFFICIAL: I think as these leaders have been together over the past several months on a number of occasions, as you well know, in Denver, in Paris, in Madrid, the subject of Bosnia has been very prominent. We made it a central issue in Denver. It was a subject of a lunch discussion here, and a message that we have sought to deliver -- our objective has been, the President's objective has been to work with the other NATO members, the other SFOR partners and the others who are engaged in civil implementation to make sure that we use the time that we have while SFOR is there to the maximum advantage. And there are a range of those areas. War criminals is one; economic reconstruction is another. And, therefore, in a general way, this has been the subject of discussion. I don't believe, in those group discussions, specific operations have been discussed.

Q Did the President and Blair discuss this when Blair came to the President's hotel room on --

SENIOR ADMINISTRATION OFFICIAL: I don't know the answer to that.

Q Did any other countries provide any other support?

SENIOR ADMINISTRATION OFFICIAL: On those kinds of operational details, I honestly have to refer you to SFOR.

Q Could you give us the details of the U.S. logistical and support -- which U.S. troops were involved, were they Army, Air Force?

SENIOR ADMINISTRATION OFFICIAL: You might go to the Pentagon for that. But I think basically, as I've said, these were logistical support and transportation.

Q If the rules of engagement weren't changed, is it fair to say that some new measure of political will has been communicated to the troops on the ground there?

SENIOR ADMINISTRATION OFFICIAL: I think it is an important element of Dayton that war criminals be brought to justice, and to the extent that can be done consistent with SFOR's mandate and mission, and that will continue to be the case.

Q Is this operation the reason why the President yesterday said it would be inappropriate for him to comment on whether NATO troops would be more involved in apprehending war criminals?

SENIOR ADMINISTRATION OFFICIAL: I think generally the President or myself or anybody in a position such as this are not going to comment about future -- potential future operations.

Q But this was a policy matter we were asking the President to comment on, and he said it would be inappropriate at this time for him to talk about it. Was that because he knew this operation was pending?

SENIOR ADMINISTRATION OFFICIAL: I don't know what was in his -- I mean, he certainly knew this operation was in the works.

Q When was he told? Was he told today that it was --

SENIOR ADMINISTRATION OFFICIAL: Well, I think last night -- yesterday, I indicated that this might happen today. And then on the plane I got called by General Shalikhshvili; Jim Steinberg, my deputy, was also in contact with others, and I told the President.

Q This was a planned, not a spontaneous operation. Is this the first of its kind in Bosnia, and does it represent a change in policy?

SENIOR ADMINISTRATION OFFICIAL: I can't answer whether this was the first of its kind in Bosnia. There have been a lot of operations in Bosnia over the last two years. It was planned in the sense that, given the fact that they knew that these individuals were -- where they were, they were not, obviously knowing of the fact that they were indicted, it obviously was prudent to prepare for this rather than to do it in a totally haphazard way.

Q You gave very broad explanations for the reason of the indictment. What did these two fellows do?

SENIOR ADMINISTRATION OFFICIAL: I don't know the answer to that specifically. Perhaps we can try to find out some more information. Maybe my colleague does.

SENIOR ADMINISTRATION OFFICIAL: My understanding on aspects related to the indictment because it has been a sealed indictment, the International War Crimes Tribunal will be making available information appropriately related to the indictment. Further information about the logistical aspects of the operation will be provided by Operation Joint Guard's joint press information center, which is located in Sarajevo. My understanding is that they may already be in the process of conducting some briefings. So you need to link up with your folks who are either in Bosnia or got contact back through Pentagon Public Affairs, who are probably getting a feed of that.

Q And indeed, when did the President first get word -- en route or when he got here, or what?

SENIOR ADMINISTRATION OFFICIAL: Well, as I said, I told him yesterday this was likely to happen today, and then on the plane we got word from General Shalikhshvili.

THE PRESS: Thank you.

END 4:00 P.M. (L)

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THE WHITE HOUSE

Office of the Press Secretary
(Warsaw, Poland)

For Immediate Release

July 10, 1997

PRESS BRIEFING BY
NATIONAL SECURITY ADVISOR SANDY BERGER

The Marriott Hotel
Warsaw, Poland

3:44 P.M. (L)

MR. BERGER: Good afternoon. I have a brief statement to make about the events that took place earlier this morning in Bosnia, which have been the subject of comment by General Joulwan at SHAPE a little while ago.

Today SFOR forces operating in the British sector detained indicted war criminal Milan Kovacevic. This detention took place without incident. He is in the process of being handed over to the International War Crimes Tribunal for arrest and transport to The Hague.

In a separate detention action, indicted war criminal Simo Drjaca, former police chief in Prijedor, fired upon British SFOR soldiers as they sought to detain him. He was killed when SFOR personnel returned fire in self-defense. Both Kovacevic and Drjaca were the subject of sealed indictments for war crimes issued by the Tribunal for complicity in acts of genocide against Bosnian Muslims and Croats in the Prijedor area in 1992.

Under SFOR's mission they may apprehend indicted war criminals encountered in the course of its duties and if the tactical situation permits. This was such a situation. SFOR forces regularly encountered these individuals in the vicinity of Prijedor, a township, as I said, in the British sector, both before and after issuance of the sealed indictment. SFOR concluded that they should detain these individuals. NATO political authorities agreed with that view. SFOR acted within its mission and mandate.

U.S. SFOR forces provided some logistic and backup and transportation support to the operation. No U.S. forces participated in the detentions themselves, however.

The President, when briefed on the outcome of this, indicated that he was satisfied that SFOR had acted courageously and in an appropriate manner.

Thank you.

Q Was the President briefed ahead of time by anyone, and was this something that was discussed, the idea of such operations, among the leaders at the NATO meeting?

MR. BERGER: I prefer not to take questions on this at this point.

Q Sandy, why did you go after small fry instead of the headline war criminals?

MR. BERGER: Again, you've heard my statement and that's what I --

Q Is this sort of a PR at this NATO expansion time? Why don't you go after Karadzic and Mladic?

MR. MCCURRY: That concludes the briefing. In a short while we'll have a senior official who will be available.

Thanks.

END 3:48 P.M. (L)

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release September 15, 1997

STATEMENT BY THE PRESS SECRETARY

Success of Bosnian Elections

The success of this weekend's local elections in Bosnia is due in large part to the expertise and dedication of the Organization for Security and Cooperation in Europe (OSCE), along with unstinting support from SFOR and energetic assistance from the UN-International Police, the Office of the High Representative and countless other international organizations and nations.

More than 2600 OSCE supervisors and monitors (including over 500 Americans) helped to assure the integrity of the elections. SFOR, in coordination with the UN-IPTF and local police, assured a secure environment. The Office of the High Representative and many others worked with the OSCE and the parties to facilitate the rapid resolution of incidents and disputes that might otherwise have disrupted this complex and sensitive process. These elections are a tribute to the Bosnian people. The grassroots elections are an important milestone along the road to peace and reconciliation and have restored to the ordinary Bosnian what the extremists have tried to take away - the right of the people to choose their government without intimidation and fear. That they could proceed relatively free of disturbance is a welcome reminder of how far Bosnia has come since the guns were silenced barely two years ago.

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release September 18, 1997

STATEMENT BY THE PRESIDENT

I am deeply saddened by the deaths in Bosnia yesterday of five dedicated Americans serving the cause of peace. David Kriskovich, Deputy Commissioner of the International Police Task Force (IPTF); Leah Melnick, Human Rights Officer with the Office of the High Representative; Livio Beccaccio, Senior Advisor to Deputy Commissioner Kriskovich; Marvin Padgett, IPTF Training Coordinator and Police Monitors; and William Nesbitt, Bosnia Program Manager for the Justice Department's International Criminal Investigative Training Assistance Program (ICITAP) perished when a UN helicopter crashed on its way from Sarajevo to Bugojno and Brcko.

Also lost in this tragic accident were five German citizens, including Ambassador Gerd Wagner, Senior Deputy High Representative, as well as a British and a Polish citizen.

These men and this woman were serving the cause of peace and reconciliation, dedicated to building under exceptionally difficult circumstances what was envisioned at Dayton almost two years ago. The selfless commitment of such talented people is inspiring. We are determined to carry forward their vital work.

My heartfelt sympathy is extended to the Kriskovich, Melnick, Beccaccio, Padgett, and Nesbitt families as well as the families of their colleagues. May they take comfort in the good works of their loved ones, for as the scripture tells us, "Blessed are the peacemakers, for they shall be called the children of God."

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release December 4, 1997

TEXT OF A LETTER FROM
THE PRESIDENT TO THE SPEAKER OF
THE HOUSE OF REPRESENTATIVES AND
THE PRESIDENT OF THE SENATE

December 3, 1997

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

On May 30, 1992, by Executive Order 12808, President Bush declared a national emergency to deal with the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States constituted by the actions and policies of the Governments of Serbia and Montenegro, blocking all property and interests in property of those Governments. President Bush took additional measures to prohibit trade and other transactions with the Federal Republic of Yugoslavia (Serbia and Montenegro) by Executive Orders 12810 and 12831, issued on June 5, 1992, and January 15, 1993, respectively.

On April 25, 1993, I issued Executive Order 12846, blocking the property and interests in property of all commercial, industrial, or public utility undertakings or entities organized or located in the Federal Republic of Yugoslavia (Serbia and Montenegro) (the "FRY (S&M)"), and prohibiting trade-related transactions by United States persons involving those areas of the Republic of Bosnia and Herzegovina controlled by the Bosnian Serb forces and the United Nations Protected Areas in the Republic of Croatia. On October 25, 1994, because of the actions and policies of the Bosnian Serbs, I expanded the scope of the national emergency by issuance of Executive Order 12934 to block the property of the Bosnian Serb forces and the authorities in the territory that they controlled within the Republic of Bosnia and Herzegovina, as well as the property of any entity organized or located in, or controlled by any person in, or resident in, those areas.

On November 22, 1995, the United Nations Security Council passed Resolution 1022 (UNSCR or "Resolution 1022"), immediately and indefinitely suspending economic sanctions against the FRY (S&M). Sanctions were subsequently lifted by the United Nations Security Council pursuant to Resolution 1074 on October 1, 1996. Resolution 1022, however, continues to provide for the release of funds and assets previously blocked pursuant to sanctions against the FRY (S&M), provided that such funds and assets that are subject to claims and encumbrances, or that are the property of persons deemed insolvent, remain blocked until "released in accordance with applicable law." This provision was implemented in the United States on December 27, 1995, by Presidential Determination No. 96-7. The Determination, in conformity with Resolution 1022, directed the Secretary of the Treasury, inter alia, to suspend the application of sanctions imposed on the FRY (S&M) pursuant to the above-referenced Executive orders and to continue to block property previously blocked until provision is made to address claims or encumbrances, including the claims of the other successor states of the former Yugoslavia. This sanctions relief was an essential factor motivating Serbia and Montenegro's acceptance of the General Framework Agreement for Peace in Bosnia and Herzegovina initialed by the parties in Dayton on November 21, 1995 (the "Peace Agreement") and signed in Paris on December 14, 1995. The sanctions imposed on the FRY (S&M) and on the United Nations Protected Areas in the Republic of Croatia were accordingly suspended prospectively, effective January 16, 1996. Sanctions imposed on the Bosnian Serb forces and authorities and on the territory that they controlled within the Republic of Bosnia and Herzegovina were subsequently suspended prospectively, effective May 10, 1996, in conformity with UNSCR 1022. On October 1, 1996, the United Nations passed UNSCR 1074, terminating U.N. sanctions against the FRY (S&M) and the Bosnian Serbs in light of the elections that took place in Bosnia and Herzegovina on September 14, 1996. UNSCR 1074, however, reaffirms the provisions of UNSCR 1022 with respect to the release of blocked assets, as set forth above.

The present report is submitted pursuant to 50 U.S.C. 1641(c) and 1703(c) and covers the period from May 30 through November 29, 1997. It discusses Administration actions and expenses directly related to the exercise of powers and authorities conferred by the declaration of a national emergency in Executive Order 12808 as expanded with respect to the Bosnian Serbs in Executive Order 12934, and against the FRY (S&M) contained in Executive Orders 12810, 12831, and 12846.

1. The declaration of the national emergency on May 30, 1992, was made pursuant to the authority vested in the President by the Constitution and laws of the United States, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the National Emergencies Act (50 U.S.C. 1601 et seq.), and section 301 of title 3 of the United States Code. The emergency declaration was reported to the Congress on May 30, 1992, pursuant to section 204(b) of the International Emergency Economic Powers Act (50 U.S.C. 1703(b)) and the expansion of that national emergency under the same authorities was reported to the Congress on October 25, 1994. The additional sanctions set forth in related Executive orders were imposed pursuant to the authority vested in the President by the Constitution and laws of the United States, including the statutes cited above, section 1114 of the Federal Aviation Act (49 U.S.C. App. 1514), and section 5 of the United Nations Participation Act (22 U.S.C. 287c).
2. The Office of Foreign Assets Control (OFAC), acting under authority delegated by the Secretary of the Treasury, implemented the sanctions imposed under the foregoing statutes in the Federal Republic of Yugoslavia (Serbia and Montenegro) and Bosnian Serb-Controlled Areas of the Republic of Bosnia and Herzegovina Sanctions Regulations, 31 C.F.R. Part 585 (the "Regulations"). To implement Presidential Determination No. 96-7, the Regulations were amended to authorize prospectively all transactions with respect to the FRY (S&M) otherwise prohibited (61 FR 1282, January 19, 1996). Property and interests in property of the FRY (S&M) previously blocked within the jurisdiction of the United States remain blocked, in conformity with the Peace Agreement and UNSCR 1022, until provision is made to address claims or encumbrances, including the claims of the other successor states of the former Yugoslavia.

On May 10, 1996, OFAC amended the Regulations to authorize respectively all transactions with respect to the Bosnian Serbs otherwise prohibited, except with respect to property previously blocked (61 FR 24696, May 16, 1996). On December 4, 1996, OFAC amended Appendices A and B to 31 C.F.R. chapter V, containing the names of entities and individuals in alphabetical order and by location that are subject to the various economic sanctions programs administered by OFAC, to remove the entries for individuals and entities that were determined to be acting for or on behalf of the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro). These assets were blocked on the basis of these persons' activities in support of the FRY (S&M) -- activities no longer prohibited -- not because the Government of the FRY (S&M) or entities located in or controlled from the FRY (S&M) had any interest in those assets (61 FR 64289, December 4, 1996).

On April 18, 1997, the Regulations were amended by adding new section 585.528, authorizing all transactions after 30 days with respect to the following vessels that remained blocked pursuant to the Regulations, effective at 10:00 a.m. local time in the location of the vessel on May 19, 1997: the M/V MOSLAVINA, M/V ZETA, M/V LOVCEN, M/V DURMITOR and M/V BAR (a/k/a M/V INVIKEN) (62 FR 19672, April 23, 1997). During the 30-day period, United States persons were authorized to negotiate settlements of their outstanding claims with respect to the vessels with the vessels' owners or agents and were generally licensed to seek and obtain judicial warrants of maritime arrest. If claims remained unresolved 10 days prior to the vessels' unblocking (May 8, 1997), service of the warrants could be effected at that time through the U.S. Marshal's Office in the district where the vessel was located to ensure that U.S. creditors of a vessel had the opportunity to assert their claims. Appendix C to 31 CFR, chapter V, containing the names of vessels blocked pursuant to the various economic sanctions programs administered by OFAC (61 FR 32936, June 26, 1996), was also amended to remove these vessels from the list effective May 19, 1997.

There has been one amendment to the Regulations since my report of May 30, 1997. The Federal Republic of Yugoslavia (Serbia and Montenegro) and Bosnian Serb-Controlled Areas of the Republic of Bosnia and Herzegovina Sanctions Regulations, 31 C.F.R. Part 585, were amended on August 25, 1997. General reporting, recordkeeping, licensing, and other procedural regulations were moved from the Regulations to a separate part (31 CFR Part 501) dealing solely with such procedural matters. (62 FR 45098, August 25, 1997). No substantive changes to the Regulations were made. A copy of the amendment is attached to this report.

3. Over the past year and a half, the Departments of State and the Treasury have worked closely with European Union member states and other U.N. member nations to implement the provisions of UNSCR 1022. In the United States, retention of blocking authority pursuant to the extension of a national emergency provides a framework for administration of an orderly claims settlement. This accords with past policy and practice with respect to the suspension of sanctions regimes.
4. During this reporting period, OFAC issued six specific licenses regarding transactions pertaining to the FRY (S&M) or property in which it has an interest. Specific licenses were issued (1) to authorize the unblocking of certain funds and other administrative transactions involving assets previously blocked; (2) to authorize the transfer of presanctions ownership interests in certain blocked property from one U.S. person to another; and (3) to authorize litigation against the Government of the FRY (S&M) by a United States person for recovery of presanctions obligations.

During the past 6 months, OFAC has continued to oversee the maintenance of blocked FRY (S&M) accounts; and records with respect to: (1) liquidated tangible assets and personalty of the 15 blocked U.S. subsidiaries of entities organized in the FRY (S&M); (2) the blocked personalty, files, and records of the two Serbian banking institutions in New York previously placed in secure storage; (3) remaining blocked FRY (S&M) tangible property, including real estate; and (4) the five Yugoslav-owned vessels recently unblocked in the United States.

On September 29, 1997, the United States filed Statements of Interest in cases being litigated in the Southern District of New York: Beogradska Banka A.D. Belgrade v. Interenergo, Inc., 97 Civ. 2065 (JGK) and Jugobanka A.D. Belgrade v. U.C.F. International Trading, Inc. et al., 97 Civ. 3912, 3913 and 6748 (LAK). These cases involve actions by blocked New York Serbian bank agencies and their parent offices in Belgrade, Serbia, to collect on defaulted loans made prior to the imposition of economic sanctions and dispensed, in one case, to the U.S. subsidiary of a Bosnian firm and, in the other cases, to various foreign subsidiaries of a Slovenian firm. Because these loan receivables are a form of property that was blocked prior to December 27, 1995, any funds collected as a consequence of these actions would remain blocked and subject to United States jurisdiction. Defendants asserted that the loans had been made from the currency reserves of the central bank of the former Yugoslavia to which all successor states had contributed, and that the loan funds represent assets of the former Yugoslavia and are therefore subject to claims by all five successor states. The Department of State, in consultation with the Department of the Treasury, concluded that the collection of blocked receivables through the actions by the bank and the placement of those collected funds into a blocked account did not prejudice the claims of successor states nor compromise outstanding claims on the part of any creditor of the bank, since any monies collected would remain in a blocked status and available to satisfy obligations to United States and foreign creditors and other claimants -- including possible distribution to successor states under a settlement arising from the negotiations on the division of assets and liabilities of the former Yugoslavia.

5. Despite the prospective authorization of transactions with the FRY (S&M), OFAC has continued to work closely with the U.S. Customs Service and other cooperating agencies to investigate alleged violations that occurred while sanctions were in force. On February 13, 1997, a Federal grand jury in the Southern District of Florida, Miami, returned a 13-count indictment against one U.S. citizen and two nationals of the FRY (S&M). The indictment charges that the subjects participated and conspired to purchase three Cessna propeller aircraft, a Cessna jet aircraft, and various aircraft parts in the United States and to export them to the FRY (S&M) in violation of U.S. sanctions and the Regulations. Timely interdiction action prevented the aircraft from being exported from the United States. A trial date has not yet been scheduled but is anticipated in late October.

Since my last report, OFAC has collected four civil monetary penalties totaling nearly \$176,000 for violations of the sanctions. These violations involved prohibited exports of goods and services, contract dealings, and payments either to the Government of the FRY (S&M), persons in the FRY (S&M), or to blocked entities owned or controlled by the FRY (S&M). The violators include two U.S. companies, one law firm, and a U.S. financial institution.

6. The expenses incurred by the Federal Government in the 6-month period from May 30 through November 29, 1997, that are directly attributable to the declaration of a national emergency with respect to the FRY (S&M) and the Bosnian Serb forces and authorities are estimated at approximately \$400,000, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in OFAC and its Chief Counsel's Office, and the U.S. Customs Service), the Department of State, the National Security Council, and the Department of Commerce.

7. In the last 2 years, substantial progress has been achieved to bring about a settlement of the conflict in the former Yugoslavia acceptable to the parties. UNSCR 1074 terminates sanctions in view of the first free and fair elections to occur in the Republic of Bosnia and Herzegovina, as provided for in the Peace Agreement. In reaffirming Resolution 1022, however, UNSCR 1074 contemplates the continued blocking of assets potentially subject to conflicting claims and encumbrances until provision is made to address them under applicable law, including claims of the other successor states of the former Yugoslavia.

The resolution of the crisis and conflict in the former Yugoslavia that has resulted from the actions and policies of the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro), and of the Bosnian Serb forces and the authorities in the territory that they controlled, will not be complete until such time as the Peace Agreement is implemented and the terms of UNSCR 1022 have been met. Therefore, I have continued for another year the national emergency declared on May 30, 1992, as expanded in scope on October 25, 1994, and will continue to enforce the measures adopted pursuant thereto.

I shall continue to exercise the powers at my disposal with respect to the measures against the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro), and the Bosnian Serb forces, civil authorities, and entities, as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments pursuant to 50 U.S.C. 1703(c).

Sincerely,

WILLIAM J. CLINTON

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release December 18, 1997

FACT SHEET

BACKGROUND ON BOSNIA AND HERZEGOVINA

During 46 months of the worst war in Europe since World War II, Bosnia-Herzegovina was devastated. During the 24 months since the signing of the Dayton Agreement on November 21, 1995 there has been substantial progress in rebuilding the lives of the people of Bosnia and creating conditions for a sustainable peace.

MILITARY STABILITY:

Before Dayton (November 1995)

410,000 troops under arms, deployed throughout country at war. 200,000 killed, including 150,000 civilians. Sarajevo and other major population areas under siege. 7,700 heavy weapons deployed including long range artillery. Over 1 million mines in the ground.

Progress Since Dayton

A stable military environment has been created and warring parties separated 350,000 troops have returned to civilian life. 80,000 active duty military troops and their equipment are under SFOR supervision. 6,600 heavy weapons systems have been destroyed; 2,600 remain in supervised confinement. More than 1,600 minefields have been identified. During November alone, 2,500 mines and unexploded ordnance were lifted, bringing the total since March to over 21,000. Established Federation Joint Military *being trained for defensive capability and military command has been integrated, and illegal foreign forces have been expelled.

ECONOMIC GROWTH:

Before Dayton (November 1995)

Industrial production less than 10% of pre-war output. Unemployment at 90%. Basic services largely non-existent. \$15-20 billion worth of productive capacity destroyed. 2.8 million Bosnians receiving food assistance at height of war. No cross-entity trade.

Progress Since Dayton

Federation Industrial production almost doubled in 1996 with GDP growth 53% in 1996. and an estimated 35% in 1997. Unemployment reduced to 44% in the Federation. 400 schools repaired and fully opened. 600,000 Bosnians receiving food aid. More than 200 miles of roads and 21 bridges repaired. Electric power service in all major cities and many rural areas restored. Water and sewage systems in 40 cities restored. 15,000 housing units rebuilt, and heating for 32,000 others restored. US AID money has created over 11,000 jobs and provided \$68 million in loans to 140 medium-sized Bosnia enterprises. Agreement reached on a nation-wide integrated telecommunications system and inter-entity links have been established. Sarajevo and Banja Luka airports have been opened to civil air traffic.

INDEPENDENT MEDIA:

Before Dayton (November 1995)

State-controlled, nationalist media served as primary vehicle for stirring ethnic hatred, mobilizing public action. Media dominated by three ruling parties with opposition having little or no access.

Progress Since Dayton

Independent media is being strengthened with international support, and state-controlled broadcasters in the Republic of Srbska are being restructured and subjected to oversight by the Office of the High Representative (OHR), in cooperation with the Organization for Security and Cooperation in Europe (OSCE) and SFOR. The internationally -funded Open Broadcast Network (OBN) has become a cross-IEBL network -- will reach 80% of Bosnia by spring 1998. U.S. grant assistance has been provided to 20 newspapers and 27 radio and 12 TV stations throughout Bosnia; journalists being trained in all media by the U.S. and NGOs. State-controlled Serb Radio and TV (SRT) is being restructured after SRT Pale broadcasts of threats against SFOR and international community officials. OHR/OSCE ensured equitable access of all candidates to RS electronic media in the campaign for the November 23 RS Assembly elections. Initial steps have been taken to establish a transitional public body at the national level to allocate broadcast frequencies and develop internationally recognized journalism standards for the entire country.

WAR CRIMES:

Before Dayton (November 1995)

3,500 villages ethnically cleansed. 500 mass graves. 40 camps/detention centers. More than 1,600 persons missing and unaccounted for.

Progress Since Dayton

Of the 78 person publicly indicted for war crimes, 21 are in the custody of the International Criminal Tribunal for the Former Yugoslavia in The Hague.

DEMOCRATIZATION:

Before Dayton (November 1995)

Nationalist party control throughout Bosnia; weak opposition parties. No elections since 1990. Martial law prevails. Rubber-stamp parliaments. Opposition harassed.

Progress Since Dayton

Held democratic elections for all levels of government. Turnout above 70 percent. Established Joint Presidency, Council of Ministers, Supreme Court, Standing Committee on Military Matters, Civil Aviation Authority, and Central Bank and integrated financial institutions. New municipal assemblies have been convoked in 107 towns following municipal elections in September. Extremists have been removed from government positions in Federation and Republic of Srbska cities, including Mostar, Srbac, Sipovo, Drvar, Glamoc, Bosanski Petrovac. President Plavsic created an opposition party to take on the hard-liners in Pale. Karadzic-led SDS party lost its overwhelming majority in November 1997 RS assembly election. Turnout above 70 percent.

PUBLIC SECURITY:

Before Dayton (November 1995)

Police tool of ethnic cleansing and repression. Police under political control. Police force comprised of demobilized military and paramilitary personnel. Police armed with heavy weapons.

Progress to Date

Public security is being strengthened through the restructuring and training of local, ethnically-integrated police forces in accordance with democratic standards. 8 of 10 Federation cantons have implemented the initial phases of restructuring and integrated police forces are operating. Human dignity and basic skills train-the-trainer programs sponsored by the United States have begun in areas implementing police reform. Paramilitary Special Police forces -- the hard-liners' muscle -- have been brought under SFOR oversight, and their heavy weapons placed in cantonment. Restructuring is underway in the rest of the Federation and has begun in the RS. 3,000 RS police -- of a projected force of 8,500 -- registered to be certified by the IPTF so far; restructuring has begun in Banja Luka, Trebinje, Brcko, Mrkonjic Grad. IPTF checkpoint policy has dramatically reduced illegal checkpoints and improved freedom of movement.

RETURN OF REFUGEES AND DISPLACED PERSONS:

Before Dayton (November 1995)

Estimated 1.7 million Bosnians ethnically cleansed. Estimated 2 million Bosnians displaced by war. No municipality willing to allow ethnic minorities to return.

Progress Since Dayton

Over 350,000 refugees and displaced persons returned home -- more than 30,000 in July and August alone. Ten municipalities are participating in U.S.-funded projects that facilitate minority return. Bosniak and Croat authorities in Central Bosnia Canton developed plan for phased return of refugees and displaced persons. Returns recently accelerated in the town of Bugojno, Drvar, and Stolac.

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release December 18, 1997

PRESS BRIEFING BY
NATIONAL SECURITY ADVISOR SANDY BERGER
AND
SPECIAL REPRESENTATIVE TO THE PRESIDENT
AND SECRETARY OF STATE'S

FOR IMPLEMENTATION OF THE DAYTON PEACE ACCORDS ROBERT GELBARD

The Briefing Room
10:53 A.M. EST

MS. LUZZATTO: We'll have a briefing now from the President's National Security Advisor, Sandy Berger, and from Bob Gelbard, the President's Special Advisor and Secretary of State's for the Implementation of Dayton for Bosnia.

MR. BERGER: I'm not going to make another statement. I do feel a little bit like we are the Allen and Rossi of this show. You may remember that Allen and Rossi was the act that followed the Beatles on the Ed Sullivan Show in the early 1960s -- small piece of trivia.

Q You're dating yourself.

MR. BERGER: If you're too young, ask Wolf. (Laughter.)

Q Sandy, how likely is it the Europeans are going to go along with the benchmarks outlined by the President? Any indication of how they might feel about --

MR. BERGER: I think that there is a general consensus that we ought to define as clearly as we can the objectives that we need to meet to make this peace self-sustaining and we ought to review that on a regular basis. The statement that came out of the NAC meeting on Tuesday speaks of six-month reviews and that we ought to evaluate to need to go to a six-month basis how we are doing in meeting those objectives, rather than setting a specific deadline.

Q What is management cost? Have you guys set a cap for that? How much are you willing to ask the Congress to pay for this?

MR. BERGER: I think you have to start with mission; then you go to force size; and then you go to cost -- as opposed to the other way around. Obviously, the most important thing is defining clearly what the mission is for this period. That then determines by the military planners what the force size is. The composition of that force is something we'll be discussing among the Europeans. And that then will take you to the cost.

Obviously, there will be significant costs associated with this on an annual basis, but I think those costs have to be associated with the costs of not getting the job done. We were spending an enormous amount of money enforcing sanctions against Bosnia. We were spending an enormous amount of money air-dropping food from Aviano into Bosnia. And we would certainly be spending an enormous amount of money if that were resumed and we were drawn back in, not as peacekeepers, but as warmakers.

Q Sandy, what about refugees? By your figures --

MR. BERGER: Bob, if you want, just kick me.

Q By your figures, about 350,000 out of some 2 million displaced persons have returned home. How hard is it to get the rest of those people back to their homes, and how important is that as a part of what you need to do in the follow-on force?

MR. BERGER: Let me take the first crack and ask Ambassador Gelbard to answer it. Refugee returns is an important part of Dayton; it's an important objective. As the President noted, about 350,000 have returned. We have established -- we, the international community -- an orderly refugee return policy in a way that seeks to manage these returns so that the international resources can be brought to bear in a way that helps relocate or locate these people with as much economic and other support as possible.

I think it will continue to be an important area in the coming year, and we hope to expand this program of orderly returns. We have a program called Open Cities program, where local mayors and civic local leaders have agreed that they want to bring back minorities, and we'll try to expand that.

Let me just ask Bob to fill in what I've left clear.

AMBASSADOR GELBARD: What is very clear is that there has been an increase in the trend for returns over the last year, as the peace has sunk in, as there has been more job opportunities, economic reconstruction taking place, particularly in the Federation. We have now begun to see the first examples of minority refugee returns in the Republic of Srbska. And there are communities which, based on arrangements with the U.N. High Commissioner on Refugees, supported by us, or the U.S. government working alone or working with the communities to make, as Sandy says, the process of managed returns the way we want to proceed.

But what we expect, based on increased prosperity -- GDP going up in the Federation by 60 percent this year, for example -- we feel that with increased job creation, more opportunity, a lot more people will be coming back. But at the same time, it's very clear that refugees in a number of European countries where there are large numbers, such as Austria, are being permitted to stay. And a lot of them do not want to stay in those countries.

Q So how many are left in the countries that you need to move back? And I gather you're saying that the pace will pick up, but at the pace you've been going it would take several years to get people back to their homes.

MR. BERGER: Well, it's not clear, as Bob indicates, that all refugees seek to return, but we would expect a very large number next year. As I say, there have been 350,000 of 2 million, and I would expect that number to be no less next year.

Q When you say, Sandy, that there will be a significant cost on an annual basis, can you give us a ballpark? You must have some sort of estimate --

MR. BERGER: No, there can't be any estimate that's reliable at this point until we know exactly what the force size is, what percentage of that force size the Americans will bear. We were about a third of the IFOR mission. We are about 20 percent of the SFOR mission. So it's not clear what percentage of the overall force we will be. So I don't want to be in a situation where I give you an estimate that is not based on --

Q Is it fair to say it's hundreds of millions of dollars, or billions of dollar?

MR. BERGER: I think it's fair to say there will be a significant cost associated with it, but I can't give you an estimate.

Q Sandy, what's the cost now on an annual basis for us being over there?

MR. BERGER: The military cost or the overall cost?

Q The military cost.

MR. BERGER: I would refer you to the Pentagon. I don't know the answer -- or we can get you the answer.

Q Sandy, it's your job to coordinate -- help the President coordinate different advice he gets from the military, from the State Department, and so forth. In the end, was there consensus on this, or did the President make a choice among conflicting opinions on this? And how much continuing debate is there within the administration about the proper force structure and force size?

MR. BERGER: The answer to your first question is that there was not only consensus, there was unanimity among his national security advisors with respect to the decision the President announced today. That includes everybody. Unanimity usually does.

And I think that all of us came to the conclusion that the President articulated earlier. That is, we have made substantial progress. Bosnia is a different place today than it was a year ago, than it was two years ago, certainly than it was two and a half years ago -- that we're headed in the right direction, but that it takes longer than we anticipated and it would be foolish for us to abandon the effort. And the ultimate objective here is a self-sustaining peace that does not require international participation.

I think everyone agreed to that; everyone agreed that there must be a follow-on force, there must be U.S. participation, there must be participation on the ground in Bosnia.

Now, the next set of questions, which is, what is the nature, shape, mission, dimension of a follow-on force, is one that we will be discussing over the next probably month and a half, among ourselves, with our NATO allies. There are a number of different options that NATO is studying for a different size force, different scope of mandate and mission and, therefore, some different costs. And we look at all those options and make a judgment on what we think makes the most sense.

Q Why did it take longer than anticipated -- and what I'm trying to get at is, what were the concrete goals during the period just ended and what factors militated against realization of those goals?

MR. BERGER: Well, the concrete goal is a self-sustaining peace. That is, a peace that will last in Bosnia after the international military presence is gone. I assume there will be an international presence in Bosnia after there's an international military presence. I think that on a number of things the President talked about -- for example, infrastructure has improved markedly. Economic activity is beginning to pick up. Joint institutions have been formed, but are still quite fragile --

Q Because? I'm really trying to find out what hasn't worked or what are the factors --

MR. BERGER: I don't think it's a question of what hasn't worked. I think it's a question of it takes time. It takes time after four and a half years of a very bloody interecine and, to some degree, international war -- because there was a Serb dimension of this as well -- for the habits of peace to take hold.

Q But was the original 18 months simply over-optimistic, or was it reasonable, but factors on the ground interfered with the process?

MR. BERGER: Well, first of all, we are, to some degree, operating here in uncharted waters. The United States does not have extensive experience in the peacemaking role. The Canadians, others have been involved in far more peacemaking ventures than we have.

I think back a year ago we made the best estimate of what we thought it would take to get to a point where this would not require some kind of continuing international security presence, to give both the international civil workers and the parties the confidence to keep going in security. I think we underestimated that. I think it's taken longer. So I think it's been -- the car has been moving, but it has been moving at 30 instead of 50.

Q You're not saying that anybody was undermining the efforts.

AMBASSADOR GELBARD: If I could just add to that. With the breakup of Yugoslavia, Bosnia, for the first time in modern history, has become a country. And it's a country where there had not been a democracy before and they're now trying to establish democratic systems, democratic institutions for the first time. There had not been a free market economic system before. They are trying to develop those kinds of institutions.

The President talked before about police. They're trying to move from a traditional, top-down, repressive, totalitarian type of police institution to one that is more community-oriented and democratically oriented. But the development of the consolidation of these kinds of institutions, whether they're political or economic or social, particularly given the four and a half years of war, takes time. And trying to heal a country that's been fractured in this way does take some time.

Q How could anybody really have believed that it would only take a year or a year and a half to reach a stage where they didn't need help? I mean, I know it's past history now, but why was any assessment ever made that it could be done in such a short period?

AMBASSADOR GELBARD: Well, it does take time to develop and then get these institutions moving and functioning. But they are moving along. As I mentioned early --

Q My question is who came up with the initial assessment that all of this would only take a year?

MR. BERGER: It was a NATO judgment. All of the 16 NATO countries agreed to that assessment, not just the United States. You know, deadlines are a double-edged sword. On the one hand, deadlines provide a --

Q Selling point. (Laughter.)

MR. BERGER: No. That's more cynical than I know you mean to be, Helen. (Laughter.) Deadlines put pressure on the parties; they put pressure on our allies. I think in many ways Secretary Cohen, over the last year and a half, has been very effective in creating that pressure on our allies by saying we've got to get as much done in the next 18 months as we possibly can get done. So in that sense, deadlines are useful.

On the other hand, deadlines are artificial, and they are by definition things that you devise before the fact rather than at the fact. And you can underestimate how long something like this will take. I think the most important thing here to come back to though is, again, if we were not making progress, if we were not -- if we did not see the very realistic prospect of self-sustaining peace in the future, we would not, I think, feel it was worthwhile staying. It is because we do see that and we have seen the progress that we believe that it is important to finish the job.

Q If you folks acknowledge, as you plainly do, that you were wrong about the amount of time that it would take the first go-round, or the second go-round, and you now acknowledge that without a deadline there is less pressure than there otherwise would be, why shouldn't we believe critics who say this is a morass, they're not going to be able to get out, there is no exit strategy? What I'm saying is, why should we give you credibility when you say it's not a permanent fix and not believe your critics who say it is?

MR. BERGER: First of all, let's put this in perspective. I think people who often use the Vietnam analogy for the point you're making -- you know, Vietnam went from 10,000 to 30,000 to 100,000 to 200,000 to 300,000, okay. We started with 27,000, and there is now contact with 8,500 -- and I don't know what the force size will be. It certainly will not be larger than we have. We're talking about an important operation, but we're not talking about hundreds of thousands or even tens of thousands of American soldiers, number one. Number two, we're talking about a trajectory that is heading in the right direction in terms of America's ultimate departure.

I think the credibility comes from making your own judgment about whether or not things are better than they were, and whether they are headed in the right direction, and whether the achievement of a self-sustaining peace in Bosnia is possible. In my judgment, that is the case.

I think we need to have the discipline without deadlines of benchmarks, of reviews, of accountability of Congress, of accountability of the American people. We are not off on some unfettered lark here. There are plenty of institutions that will hold us accountable. One is the Congress; two is you; and three is the American people. And the standard to which we should be held is, are we making progress towards achieving a durable peace in Bosnia so that we can bring our forces down even further and ultimately withdraw them.

Q But, Sandy, you keep talking about it in terms of creating a self-sustaining peace in the long-term. What about the larger goal of Dayton of achieving true union and not partition? Can that be done without a much more robust mission than we have now?

MR. BERGER: When I say "self-sustaining peace," read that to mean self-sustaining peace within a unitary Bosnia. That doesn't mean a self-sustaining peace within a partitioned Bosnia. I think the President made this point earlier. Partition has a kind of easy sound to it, but it makes no sense, either morally or practically.

Morally, it's a ratification of aggression and ethnic cleansing. Practically, you've created one or more rump states surrounded by hostile forces. And if Bosnia's viability is difficult to establish, can you imagine the viability of a tiny Muslim state a third of the size of Bosnia? It doesn't make sense economically. It doesn't make sense politically. So self-sustaining peace of a unitary Bosnia, obviously with two relatively autonomous entities -- there are other models in the world like that.

Q But what's the evidence that you're actually getting there?

MR. BERGER: Multiethnic entities.

Q What's the evidence that they're actually moving in that direction? And can you get there without a much more interventionist mission than --

MR. BERGER: I think there is plenty of evidence. Number one, you've had 24 months of peace. That's pretty good evidence. And it's not just because there is a soldier on every corner. The fact of the matter is the Bosnian people want peace. That is further reflected in polling that's been done in Bosnia by USIA and others, which look at the desires of the Bosnian people by ethnic group. They all want peace.

Number two, you've seen a restoration of a far more normal life -- heat, water, housing, electricity, economic activity picking up. Three, you've seen three elections that have taken place within Bosnia in the last two years, where participation has been broad-based, where people have been elected. The people obviously want to create their own institutions and have control over their own lives.

So I think there are a lot of objective criteria here that reflect the fact that we not only heading in the right direction, we've made a lot of progress.

AMBASSADOR GELBARD: To add to that, the joint institutions are developing. There are fundamental functioning institutions with the joint presidency, the parliament. The central bank is up and functioning. They have reached agreement now on rescheduling their commercial bank debts just this week and started paying them off.

We're seeing inter-entity commerce developing in ways that hadn't been before. People are working together in very different ways than had been the case two years ago or even a year ago. So, obviously, this takes time, particularly after the war.

But first, the idea of the single state of Bosnia has begun to take shape, with a single national budget, a single system of tariffs, institutions functioning. They reached a major milestone that got no publicity at all by destroying almost 7,000 heavy weapons on October 31, and there is now contact and liaison between the two armies; they're meeting regularly and tensions have moved downward. So gradually, the single state of Bosnia is taking shape in a strong way, even while the two entities called for under Dayton are also moving. But we continue to support the full implementation of the Dayton agreement.

Q Sandy, what cooperation does the U.S. government feel it's getting from President Milosevic of Serbia, and President Tudjman of Croatia? Do you think they're backing the Dayton Accords fully or --

MR. BERGER: Let me ask Ambassador Gelbard, who deals with those folks.

AMBASSADOR GELBARD: We've been getting a lot of cooperation from the Croatian government, particularly over the course of the last several months. And I think that was particularly manifested by the use of their influence to turn over 10 Bosnian Croats, based on negotiations that I had, to go to The Hague Tribunal. That was done on October 6th.

We've also seen them use their influence to try to get the Bosnian Croat population to participate to much more as full actors in the implementation of Dayton, and we find that they have now begun to play a much more positive role than they had been the case before. Meanwhile, by the way, they're also doing an excellent job in implementing the agreement on the turnover of Eastern Slavonia, which is expected to take place fully on January 15th, under a U.N. mandate.

With President Milosevic we've begun to see a bit of cooperation. I spent a lot of time talking to him, as I do with President Tudjman. And we've told him that if he expects the outer wall of sanctions that we have in the west where there is much more support for people who are very supportive of implementing the Dayton agreements. A lot of it is infrastructure. A lot of it is also going to the town of Breko -- the area of Breko which is still awaiting a final arbitral award which will come out in March and which is in the American sector, MND north, and where we have a very strong interest in seeing a strong program of economic reconstruction.

The small amount of World Bank funds that are proposed for other areas are really for humanitarian purposes, for water and sewage construction and so on. But we have looked at this very carefully. We feel very comfortable that the 85 percent that's not going towards those areas is geared to helping further the process of Dayton implementation.

MR. BERGER: First of all, if I answer any more questions I'll be accused of going on too long.

Q You're going on half as long as the President did. (Laughter.)

MR. BERGER: But let me just give you a couple details on our escapade to Bosnia -- our mission to Bosnia. We will be leaving Sunday afternoon in the 4:00 p.m.-4:30 p.m. range. Obviously, Mike will be giving you -- or others -- closer detail -- and be returning late Monday night or Tuesday morning, somewhere around 1:00 a.m. to 3:30 a.m.

We will go -- obviously, stop at Aviano and then go into Bosnia; probably going to Sarajevo and then Tuzla, although not 100 percent locked down on the order.

Q Why is that?

MR. BERGER: It has to do with weather, when the airport opens, how you can maximize a fairly brief period. Probably Sarajevo -- at this point, it looks more likely. In Sarajevo the President will meet with the joint presidency and presumably some other Bosnian officials. He will address the Bosnian people at the Opera House. He will wander around the city to some degree. And then we will head off, get back on the plane and go to Tuzla, where he will get a very short briefing from the troops, but mainly spend the time with the troops, address the troops and perhaps have a meal with the troops.

And then back on the plane, stop in Aviano to change planes, probably talk to the Commanders in Aviano, and then back on the plane and there.

Q Does the President have to be out of Tuzla before it gets dark?

MR. BERGER: I don't know the answer to that.

Q Last time we were there --

MR. BERGER: Yes, but there's -- a lot has changed since the last time. It's been interesting working through this. There's obviously a lot more possibility. Do you know the answer? He does not have to be out of Tuzla by dark.

Q And what about the -- last time, remember, there was the fog question in the morning. We couldn't get into Tuzla.

MR. BERGER: The Commander in Chief has ordered that there will be no fog. (Laughter.)

Q Who has he invited?

MR. BERGER: The congressional delegation at this stage consists of -- from the House of Representatives, Mr. Murtha, Mr. Skelton, and Mr. Kasich; and from the Senate, Senator Coats, Senator Biden, Senator Lieberman, and there may be a few others.

Q When the President mentioned Mr. Dole, do you have a commitment from him to actively help build public support for this policy?

MR. BERGER: I think it's fair to say that Senator Dole is supportive of the President's decision. I'll leave it to him to determine what -- how active he is. But he does support the President's decision.

Q Can I get my question in? It doesn't have to do with this, it has to do with Cuba. Yesterday a District Court ruled that Cuba had to pay \$187 million in punitive and compensatory damages for the downing of the two American -- the two planes and the three American citizens. Cuba says it does not respect the jurisdiction of American courts. Will the U.S. government be willing to use part of the frozen Cuban assets in this country to pay those families?

MR. BERGER: I don't know the answer to that. There's a legal question underlying which I just have not had a chance to look at. But, obviously, there's no question in our mind who has moral responsibility of those planes. Where the legal responsibility lies is ultimately for the courts to decide.

Q What is the security situation for an American President? Is it okay there?

MR. BERGER: The Secret Service has been there and they're obviously watching out for that.

THE PRESS: Thank you.

END 11:35 A.M. EST

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release December 18, 1997

STATEMENT BY THE PRESIDENT ON BOSNIA

The Briefing Room

10:15 A.M. EST

THE PRESIDENT: Good morning. I want to speak with you today about the progress we have made toward a lasting peace in Bosnia, and the challenges that still must be faced in order to finish the job.

For nearly four years, Bosnia was the battleground for the bloodiest war in Europe since World War II. The conflict killed or wounded one out of every ten Bosnians. It drove half the country's people from their homes; left nine out of ten of them unemployed. We will never be able to forget the mass graves, the women and young girls victimized by systematic campaigns of rape, skeletal prisoners locked behind barbed-wire fences, endless lines of refugees marching toward a future of despair.

The war in Bosnia was abhorrent to our values. It also threatened our national interests. We've learned the hard way in this century that Europe's stability and America's security are joined. The war threatened to explode into a broader conflict in the Balkans, endangering the vital interests of allies like Greece and Turkey and undermining our efforts to build a peaceful, undivided and democratic Europe.

Then, two years ago in Dayton, Ohio, American leadership helped to end the war in Bosnia. With our allies in NATO and others, we launched an extraordinary military and political effort to implement the peace agreement. Twenty-four months later, by almost any measure, the lives of Bosnia's people are better and their hopes for the future are brighter.

Consider what we have achieved together. We ended the fighting and the bloodshed, separating rival armies, demobilizing more than 350,000 troops, destroying almost 6,600 heavy weapons. We helped Bosnians to put in place national democratic institutions, including a presidency, a parliament, a supreme court, and hold peaceful and free elections for all levels of government, with turnouts exceeding 70 percent.

We've begun to restore normal life, repairing roads and schools, electricity and water, heat and sewage, doubling economic output, quadrupling wages. Unemployment in the Bosnian-Croat Federation has been cut from 90 percent to 50 percent.

We're helping the Bosnians to provide for their own security, training ethnically-integrated police forces in the Federation, taking the first steps toward a professional democratic police force in the Serb Republic.

We've helped to turn the media from an instrument of war into a force for peace, stifling the inflammatory radio and television broadcasts that helped to fuel the conflict. And we've provided a secure environment for 350,000 displaced persons to return to their homes, while bringing 22 war criminals to justice. Just a few hours ago, SFOR captured and transported to The Hague two more war crimes suspects.

The progress is unmistakable. But it is not yet irreversible. Bosnia has been at peace only half as long as it was at war. It remains poised on a tightrope, moving toward a better future, but not at the point yet of a self-sustaining peace. To get there, the people of Bosnia still need a safety net and a helping hand that only the international community, including the United States, can provide.

Our assistance must be twofold. First we must intensify our civilian and economic engagement. As a result of the progress we've achieved in recent months, we know where to focus our efforts. Civilian and voluntary agencies working with Bosnian authorities must help to do the following things: first, deepen and spread economic opportunity while rooting out corruption; second, reform, retrain, and re-equip the police; third, restructure of the state-run media to meet international standards of objectivity and access, and establish alternative independent media; fourth, help more refugees return home; and fifth, make indicted war criminals answer for their crimes, both as a matter of justice and because they are stumbling blocks to lasting stability.

The second thing we must do is to continue to provide an international military presence that will enable these efforts to proceed in an atmosphere of confidence. Our progress in Bosnia to date would not have been possible without the secure environment created first by IFOR, now by SFOR. They've allowed dozens of civilian agencies and literally hundreds of voluntary agencies to do their job in security, laying the foundation for a self-sustaining peace.

In authorizing American troops to take part in the SFOR mission, I said the mission would end in 18 months, in June of 1998. It was my expectation that by that time we would have rebuilt enough of Bosnia's economic and political life to continue the work without continuing outside military support. But following intensive consultations with my national security and military advisors, with our NATO allies, and with leaders from both parties in Congress, it has become clear that the progress we've seen in Bosnia, in order for it to continue, a follow-on military force, led by NATO, will be necessary after SFOR ends. America is a leader of NATO, and America should participate in that force.

Therefore, I have instructed our representatives in NATO to inform our allies that in principle the United States will take part in a security presence in Bosnia when SFOR withdraws this summer. The agreement in principle will become a commitment only when I have approved the action plan NATO's military authorities will develop and present early next year, after careful study of all the options. The details of that plan, including the mission's specific objectives, its size and its duration, must be agreed to by all NATO allies.

Without prejudging the details, let me make clear the key criteria the plan must meet for me to approve United States participation. First, the mission must be achievable and tied to concrete benchmarks, not a deadline. We should have clear objectives that when met will create a self-sustaining, secure environment and allow us to remove our troops.

Second, the force must be able to protect itself. Over two years we have steadily decreased the number of our troops in Bosnia, from about 27,000 Americans in IFOR in 1996 to 8,500 in SFOR today. I hope the follow-on force will be smaller, but I will insist it be sufficient in number and in equipment to achieve its mission and to protect itself in safety.

Third, the United States must retain command. Time and again, events have proven that American leadership is crucial to decisive collective action.

Fourth, our European allies must assume their share of responsibility. Now, Europe and our other partners are already doing a great deal -- providing three times as many troops as we are, five times as much economic assistance, nine times as many international police, 10 times as many refugees have been received by them. And while Bosnia is a challenge to American interests and values, the longer-term and fundamental challenge is to make Bosnia a genuine part of Europe, and we hope the Europeans will do more.

Fifth, the cost must be manageable.

And sixth and finally, the plan must have substantial support from Congress and the American people. I have been pleased by the spirit and the substance of our consultations with leading members of both parties. As we develop the details of the new NATO mission, these consultations must and will continue. I am pleased that members of both parties in both Houses of Congress have accepted my invitation to go to Bosnia with me when I leave in a couple of days. All of us have a duty to explain the stakes in Bosnia to the American people, and I will do my very best to shoulder my responsibility for that.

Now, some say a lasting peace in Bosnia is impossible, and therefore, we should end our efforts now, in June, and/or allow the country to be partitioned along ethnic lines. I believe they're profoundly wrong. A full and fair reading of Bosnia's history, and an honest assessment of the progress of the last 23 months simply refutes the proposition that the Dayton peace agreement cannot work. But if we pull out before the job is done, Bosnia almost certainly will fall back into violence, chaos, and ultimately a war every bit as bloody as the one that was stopped.

And partition is not a good alternative. It would sanction the horrors of ethnic cleansing and send the wrong signal to extremists everywhere. At best, partition would require a peacekeeping force to patrol a volatile border for years to come. More likely it would set the stage also for renewed conflict.

A lasting peace is possible, along the lines of the Dayton peace agreement. For decades, Muslims, Croats and Serbs lived together, worked together, raised their families together. Thanks to the investments of America and others in Bosnia over the past two years, they have begun again to lead more normal lives.

Ultimately, Bosnia's future is in the hands of its own people. But we can help them make it a future of peace. We should finish the job we began for the sake of that future and in the service of our own interests and values.

Q Mr. President, a number of Americans are understandably going to be concerned about an open-ended U.S. military commitment to Bosnia. Can you at least assure the American people that by the time you leave office, a little more than three years from now, those American troops will be out of Bosnia?

THE PRESIDENT: In order to answer that, let's go back and see what our experience has been. First of all, the big military mission, IFOR, really was completed within a year. In fact, it was completed in less than a year; that is, the robust, large military presence we needed there -- I think we had over 60,000 total allied troops there -- to end the war, separate the forces, establish the separation zone between the parties, it was achieved quickly and with remarkable peace and remarkably low loss of life for all of our allied forces who were there.

But then we went to the smaller force to try to support the civilian implementation of the Dayton agreement. Now, what has happened? An enormous amount of progress has been made; we don't believe the peace is self-sustaining. I think the responsible thing for me to do, since I do not believe we can meet the 18-month deadline, and no one I know now believes that, is to say to the American people what the benchmarks are.

What are the benchmarks? Let's talk about that. Can they be achieved in the near-term? I believe they can. Do I think we should have a permanent presence in Bosnia? No. I don't believe this is like Germany after World War II or in the Cold War, or Korea after the Korean War. This is not what I'm suggesting here.

But what are the benchmarks? First, let me say the final set of benchmarks must be developed by our NATO allies working with us. But let me give you just some of the things that I think we ought to be asking ourselves. Number one, are the joint institutions strong enough to be self-sustaining after the military operation? Number two, have the political parties really given up the so-called state-run media that have been instruments of hate and venom? Number three, is the civilian police large enough, well-trained enough, well-managed enough to do the job it has to do? Number four, do we have confidence that the military is under democratic rule?

Those are just some of the benchmarks I think -- when we go through this, I want a full public discussion of it. But I will say again, I understand your job is try to get a deadline nailed down, but we tried it in this SFOR period and it turned out we were wrong. I am not suggesting a permanent presence in Bosnia; I am suggesting that it's a more honest thing to do to say what our objectives are and that these objectives should be pursued, and they can be pursued at an affordable cost with fair burden-sharing with the Europeans. If that can be done, we should pursue them.

Q Mr. President, the lead prosecutor in the War Crimes Tribunal says that Mladic and Karadzic can rest easy because the French won't try to capture them. What is the United States willing to do to bring these men to justice?

THE PRESIDENT: Well, I don't want to comment on what the prosecutor has said about the French. I can tell you this, that we were involved this morning with the Dutch, and it was in their sector and they took the lead. They asked us for support just like we were involved with the British not very long ago when they made their arrests. And we believe that provision of the Dayton agreement is important, as I said again today, and we think that all of us who are there should be prepared to do what is appropriate to implement it. And I think that, having said that, the less I say from then on in, the better.

We believe the war crimes process is an important part of Dayton. The United States, indeed, is supporting an international permanent war crimes tribunal even as we speak. We've got countries working on trying to establish that.

Q Mr. President, sir, one of the benchmarks you listed was the willingness of the political parties there really to work toward progress. Does that not make us hostages of those political figures there, particularly those who don't want progress? They can simply undermine the attempt to reach that benchmark and keep U.S. troops there forever.

THE PRESIDENT: Well, let me -- I don't think I was clear about that. What I mean is the willingness of the political parties -- or whether they're willing or not, our capacity to stop them from, in effect, perverting the state-run media and using them as an instrument of violence and suppression. I don't think it's necessary for us to stay until everybody wants to go have tea together at 4:00 p.m. in the afternoon in a civil environment. I think it's -- I do think that there are -- and again let me say, we will make public a final set of benchmarks before we go forward with this and our allies have to work on this. I'm just telling you what my thoughts are.

But if you look at where we've really have problems -- or let's flip the question -- why do we think we still need some military presence there after June? I think because we believe there is more venom still in the political system than there otherwise would have been if there had been no perversion of the so-called state run media by the political parties that control them. We believe that if the joint institutions were working a little more effectively they would -- the people would see the benefits of the joint institutions more than they will by June.

We're grateful that there are 2,000 civilian police working there. And I might say, while the United States has put up 90 percent of the money, as I said, the Europeans have put up 90 percent of the personnel for the training and the preparation of the civilian police. But there should be more.

So I think that's what we have to do. I do not want to hold us hostage to the feelings of the people of Bosnia, although, I believe the feelings will change as the facts of life change. But I do think we should stay there until we believe we've got the job done.

Q Mr. President, how did you get Secretary Cohen on board on this? And, you know, the whole public perception -- unless you go after the highest profile alleged war criminals it doesn't have much of an impact. Why the restraint?

THE PRESIDENT: Well, first of all, there are -- the circumstances under which the SFOR troops will apprehend war criminals have been fairly well-defined. We did not send SFOR there to mount major military campaigns.

Secondly, I don't want to discuss the circumstances in detail under which we might or might not go after anyone. But let me go to the point underlying your question -- I think it is -- which is, can this peace be made to work unless Mr. Karadzic is arrested? I mean, let's just sort of get to the bottom line here.

I think the answer to that is, under the right circumstances. That is, if he flees the country, if he is deep enough underground, if he can't have any impact on it, we might make the peace work anyway. After all, a great deal of progress has been made. I would point out that more progress has been made in the Muslim-Croat Federation part of Bosnia economically than in the Serbian part, in part because reactionary elements there have resisted doing the right thing across the board in many areas.

Q Are you considering aid for Serbia in that respect?

THE PRESIDENT: I'm considering -- what I'm going to do is to work with the allies to implement the Dayton Accords. And our position is going to be we're going to support the people that are trying to implement the Dayton framework; we're going to oppose those who are opposing it, in all specifics. If you use that benchmark, I think it will get you there.

One last question. Go ahead, Wolf.

Q Just to wrap up this by asking you the question -- a lot of Republican critics of yours are suggesting that your credibility was undermined on Bosnia by imposing these two deadlines which you failed to meet, and knowing that some of your own advisors at the time were saying, don't give these deadlines because they're unrealistic, the job can't be done within a year or within 18 months. So how do you answer your critics now, like Senator Kay Bailey Hutchinson or Arlen Specter or Newt Gingrich, who say that you have to prove your credibility because you failed to honor these two earlier imposed deadlines?

THE PRESIDENT: Well, first of all, let me say, I have a fundamentally different view of the first deadline. I mean, we did -- the mission I defined for IFOR was achieved, and it was achieved before a year was out. And I was -- it's not worth going through and rewriting history there about who said what at the time.

I did think that in 18 months -- I honestly believed in 18 months we could get this done at the time I said it. And it wasn't -- I wasn't right -- which is why I want don't want to make that error again. Now, having acknowledged the error I made, let's look at what we were right about. Let's flip this around before we get too much into who was right about what happened after 18 months.

What has happened? With the leadership of the United States, NATO and its allies, including Russia, working side by side, ended almost overnight and with virtually no bloodshed the worst war in Europe since World War II. We have seen democratic elections with 70 percent participation take place; hundreds of thousands of people have been able to go home under circumstances that were difficult, to say the least; economic growth has resumed; infrastructure has been rebuilt; the conditions of normal life have come back for tens of thousands, hundreds of thousands of people.

So if I take the hit for being wrong about the timetable, I would like some acknowledgement that in the larger issue here, the United States and its allies were right to undertake this mission, and that the results of the mission have been very, very good. They have justified the effort. And the cost of the mission in lives and treasure to the United States and to its allies has been much lower than even the most ardent supporters of the mission thought that it would be.

So I think -- I don't mind taking a hit for being wrong about the timetable. But after the hit is dished out, I would like the larger truth looked at. That is, did we do the right thing? Was it in our interests? Did it further our values? Are the American people less likely to be drawn into some other conflict in Europe 10, 20, 30 years from now where the costs could be far greater if we make this work? I think they are.

And I'd like to close basically with a conversation I had from my opponent in the last election, Senator Dole. I want to give him something -- he said something that I thought was very good and pithier than anything I've said about this. We had a talk about it the other day on the phone, and he said, look, he said, you know, I didn't necessarily agree with all the details about how you got to where you were. But, he said, what's happened in Bosnia? It's like we're in a football game, we're in the fourth quarter, and we're winning, and some people suggest we should walk off the field and forfeit the game. I don't think we should. I think we ought to stay here, finish the game, and collect the win.

And that's a pretty good analogy. And, with due credit to the Senator, I appreciate it. I wish I'd have thought of it myself.

Thank you very much. Merry Christmas.

Q How is Buddy?

THE PRESIDENT: Good.

END 10:39 A.M. EST

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release December 19, 1997

TEXT OF A LETTER FROM THE PRESIDENT
TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES
AND THE PRESIDENT OF THE SENATE

December 19, 1997

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

In my report to the Congress of June 20, 1997, 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), and on the beginning of the withdrawal of the NATO-led Implementation Force (IFOR), which completed its mission and transferred authority to the SFOR 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.

We continue to work in concert with others in the international community to encourage the parties to fulfill their commitments under the Dayton Peace Agreement and to build on the gains achieved over the last 2 years. It remains in the U.S. national interest to help bring peace to Bosnia, both for humanitarian reasons and to arrest the dangers the fighting in Bosnia represented to security and stability in Europe generally. Through American leadership and in conjunction with our NATO allies and other countries, we have seen real and continued progress toward sustainable peace in Bosnia. We have also made it clear to the former warring parties that they are ultimately responsible for implementing the Peace Agreement.

The United Nations Security Council authorized member states to establish the follow-on force in United Nations Security Council Resolution 1088 of December 12, 1996. The SFOR's tasks are to deter or prevent a resumption of hostilities or new threats to peace, to consolidate IFOR's achievements and to promote a climate in which the civilian-led peace process can go forward. Subject to this primary mission, SFOR has provided support, within its capabilities, to civilian organizations implementing the Dayton Peace Agreement.

During its mission, SFOR has successfully deterred the resumption of hostilities by patrolling the Zone of Separation, inspecting and monitoring heavy weapons cantonment sites, and providing support to civilian agencies. The SFOR has made significant achievements in demining, as well as major progress in efforts to restore road, rail, and air transportation links within Bosnia and Herzegovina. The SFOR has contributed to efforts to bring persons indicted for war crimes into custody in The Hague. The SFOR's support to civilian peace implementation tasks has been significant.

United States force contribution to SFOR in Bosnia remains approximately 8,500. United States forces participating in SFOR are U.S. Army forces that were stationed in Germany and the United States. Other participating U.S. forces include special operations forces, airfield operations support forces, air forces, and reserve component personnel. An amphibious force is normally in strategic reserve in the Mediterranean Sea, and a carrier battle group remains available to provide support for air operations.

All NATO nations and 20 others, including Russia and Ukraine, have provided troops or other support to SFOR. Most U.S. troops are assigned to Multinational Division, North, centered around the city of Tuzla. In addition, approximately 3,000 U.S. troops are deployed to Hungary, Croatia, Italy, and other states in the region in order to provide logistical and other support to SFOR. Since June 1997, U.S. forces have sustained a total of three fatalities, none of which was combat-related.

A U.S. Army contingent remains deployed in the Former Yugoslav Republic of Macedonia as part of the United Nations Preventive Deployment Force (UNPREDEP). This U.N. peacekeeping force observes and monitors conditions along the border with the Federal Republic of Yugoslavia and Albania, effectively contributing to the stability of the region. Several U.S. Army helicopters are also deployed to provide support to U.S. forces and UNPREDEP as required. Most of the approximately 350 U.S. soldiers participating in these missions are assigned to the 1st Battalion, 6th Infantry, 1st Armored Division. The U.N. Security Council voted December 4, 1997, to authorize a final extension of the UNPREDEP mandate through August 31, 1998, at which time UNPREDEP will be terminated.

A small contingent of U.S. military personnel is also serving in Croatia in direct support of the Transitional Administrator of the United Nations Transitional Administration in Eastern Slovenia (UNTAES). These personnel are expected to be redeployed when UNTAES's mandate expires on January 15, 1998, and a follow-on U.N. civilian police operation continues in the region.

In order to continue the progress we have seen in the last 6 months and to create conditions for a self-sustaining peace, yesterday I announced that the United States would in principal take part in a security presence in Bosnia when SFOR withdraws this summer.

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

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release December 22, 1997

REMARKS BY THE PRESIDENT
AND THE FIRST LADY
TO THE TROOPS

Club 21
Tuzla, Bosnia-Herzegovina

5:30 P.M. (L)

MRS. CLINTON: Thank you, General. I'm just glad to be back. I was here with Chelsea in March of '96. And as we've been meeting some of you around the camp, I've encountered a few people who were there when I was here before. And I'm glad to see all of you. I understand they closed Camp Alisha. I went out there, but I also went to Camp Bedrock, which I'd heard mentioned just a few minutes ago by the General. And I'm so proud to be back here again with our daughter, Chelsea, and with my husband and with the entire delegation that has accompanied the President.

I know how tough it must be for all of you to be away from your families at any time, but especially this time of year. And we've been trying to think of a way to help you stay in touch with them. And so we've been talking to some people, and they asked me to make the following announcement: that AT&T, working with the Department of Defense, has donated \$1 million so that each and every one of you stationed in Bosnia, Croatia and Hungary will have an hour's worth of free phone time to share with your families. (Cheers).

And I know that during this holiday when my family is together, one of the things we will be grateful for is the service of each and every one of you. When I returned from Bosnia the last time, I spent many many hours telling Americans what I had seen and learned; what I had heard from people just like you about what you were doing here, what your mission was, what the General aptly called you as peacemakers men.

And I remember telling a lot of Americans what it felt like for me as an American when I got off the helicopters at Camp Bedrock and Camp Alisha, and I walked out to greet our troops, and I saw men and women from every part of America. I saw white faces and black faces and brown faces. I heard accents from every region. I met young men and women who had come from every different kind of background you can imagine. And I've never been prouder to be an American. And I felt that if there were one message we could give the people of Bosnia and indeed the entire world, it would be look at America; look at the American military; see what we do together; how we overcome our differences to be a team on behalf of peace.

And I want to thank all of you for making that come true every single day. I am so grateful to you, everyone who is here. And I think so many Americans who are at home are going to be saying a special prayer for each of you and for your families, who are also making sacrifice for you to serve.

Thank you, and God bless all of you. Merry Christmas and Happy New Year. (Applause.)

THE PRESIDENT: Thank you for your laid-back welcome. (Laughter.) Thank you, General Ellis. Ladies and gentlemen, I have come here with a great delegation of Americans, including the Secretary of State, the Secretary of the Army, the Chairman of the Joint Chiefs of Staff, the Supreme Allied Commander in Europe; many other distinguished military officials and officials from the White House; and a truly astonishing delegation from Congress, of both Democrats and Republicans together.

We have Senator Ted Stevens of Alaska; Senator Joe Biden of Delaware; Senator Joe Lieberman of Connecticut; Senator Dan Coats of Indiana; Representative John Kasich of Ohio -- (cheers); Representative Jack Murtha of Pennsylvania --(cheers); Representative Ike Skelton of Missouri -- (cheers); Representative Elijah Cummings of Maryland -- (cheers); Representative Matt Collins of Georgia, anybody here from Georgia? (Cheers.) Representative John Boehner of Ohio and Representative Steve Buyer of Indiana -- anybody here from Indiana? (Cheers.) I'm proud of all of them.

And let me say, we came here for two reasons today. We came here, first of all, to say thank you to all of you. To say what you are doing for your country is a good and noble thing. You are doing it well and we are grateful. We know it's tough to be away from home at Christmas time. We know it's hard to be away from your families. But you are doing something profoundly important.

The second reason we came here was so that we could go to Sarajevo and see the leaders of the Muslims, the Croations and the Serbs, and tell them that they made an agreement at Dayton that we are doing our dead-level best to help them enforce. And they promised that they would live and work together and build one country without ethnic prejudice or unfairness to any group; that we would not only end a war, that they would build a peace together. And that we in the United States were determined not only to do our part, but we expected them to do theirs. And these good people in Bosnia, these little children, who have suffered so much, they deserve leaders who honor the commitments they made at Dayton and build a better, brighter future.

And we wanted to do that with one voice, without regard to party. So I want to say a special word of thanks to Senator Bob Dole and Mrs. Elizabeth Dole for coming. (Applause). And I would like to give -- senators talk like this all the time; I don't quite know how to do it, but I think this is called yielding a portion of my time. I'd like for Bob Dole to come up here and say a few words. (Applause).

SENATOR DOLE: This is a pretty good speech, maybe I'll just go ahead and give it. (Laughter). Well, this is one place I don't need an I.D. -- (laughter) -- and I'm very honored to be here. I haven't seen this many people since the election, so I want to thank you all for getting together. (Cheers.)

But let me underscore what the First Lady and the President have said. We're here for a couple of reasons. One is to say hello to you on behalf of all Americans, all grateful Americans, on behalf of our delegation; another is to our concern about your well-being and concern about the future of Bosnia, concern about our role in the world as the preeminent leader. So we want to wish you all the best.

I'm also here to support the President in this effort. I believe it is worthwhile. And I hope you believe the effort in Bosnia is worthwhile. (Cheers.) And the President in no uncertain terms, he's just stated, told the three leaders today that they need to move a little faster -- I can't quote the exact words, but that was sort of what it sounded like to me. (Laughter.)

And he was correct. We don't like to keep anybody away from their families. You don't like to be away from your families. And hopefully one of these days very soon, there will be a successful conclusion, and these three countries can govern themselves and you can go home, and we'll be very grateful for the service you've rendered to the United States of America and to the people in Bosnia-Herzegovina.

So I want to say, just as somebody who's out of work -- you've got all those phone calls, if you need a lawyer, give me a ring. (Laughter). If you can't find me, just call the Red Cross. (Applause).

Thank you all very much, and God bless America. Thank you. (Applause.)

THE PRESIDENT: Thank you, Senator Dole. Thank you for not reading my speech. (Laughter.) I like the one you gave.

Let me first of all say that I'm delighted to be here with the Iron Soldiers of the First Armored Division -- (cheers); with the Second Armored Calvary and all of the other -- (cheers) -- all of the other units of Task Force Eagle. But I also want the people back home to know, through our friends in the press who are here, that there are a lot of National Guardsmen and Reservists here. (Cheers.) And I thank all of you.

Hillary and I, along with the phone time that you all get -- I hope you enjoy that hour on the telephone. (Cheers.) I know you're all sitting there thinking, am I going to use it all at one time or am I going to divide it up? Am I going to call four people or just one? Decisions, decisions.

We were able to bring some school supplies over here with us, some toys as well. And I know you're going to be able to distribute those to children here who are needy and deserving. I want to thank especially Lieutenant Colonel Mark Little, who started the program -- (cheers) -- to take care of these children who have been so hurt in this war and who have given thousands of Americans the chance to serve through it.

A few moments ago we gave some of those presents to some Bosnian children, and I wish all of you could have been there with me. I wish all of you could have been with Hillary and Chelsea and me earlier today when we sat around a table in a coffee shop in Sarajevo and talked to a dozen young people -- Muslims, Serbs, Croats -- all from Bosnia. And I said, you know, I'm going to see our soldiers today, and if we could do one more thing for your country, what would you like us to do? And every one of them, it was like a chorus, they said, stay; stay just a little longer; we can't -- we're not ready yet. But the young people want peace. We don't understand why we're supposed to hate each other. We don't want that kind of future. Please stay.

And then we walked outside this coffee shop in Sarajevo and there were three American soldiers who happened to be from Virginia -- (cheers) -- across the street, standing in front of a church. And Hillary and Chelsea went over there, and I got out, and I went over and shook hands with them. And they said, we are really proud to be here because we are doing a good thing. You are doing a good thing, and I hope you are proud to be here. America is proud of you. (Cheers and applause.)

I also want to tell you that I have enjoyed sort of sampling your life -- walking in the mud -- (laughter) -- imagining what it would be like to spend six months in those beautiful tents. (Laughter.) I like those Kevlar seats in the Humvee. (Laughter.) I have heard all about the wonderful cuisine. We're going to have dinner, and who knows, maybe I'll even get near-beer and vegetable lasagna. (Laughter and applause.)

We're having a good time, and we're all cheering. But I want you to be serious with me just for a minute. And when you go to bed tonight, and you wonder what you're doing here, I want you to think about this. These people for nearly four years in this country fought the bloodiest war in Europe since the end of World War II. Massive numbers of people displaced from their homes; huge number of children made orphans; lots of young people walking around without limbs; horrible things happened to people.

And because of what you and our other allies did -- our NATO allies and our allies from Russia, from Poland and other non-NATO countries, you know that the country has stayed on the path of peace instead of going back into bloodshed. Without you, that would not have happened. Without you, the warring parties never would have disengaged, and more than -- listen to this -- more than 370,000 of them were combatant troops. They've gone back to civilian life now.

Without you there would still be mortars and cannons firing. Now, more than 6,500 heavy weapons have been destroyed and the rest put under international supervision. Because of you, free and fair elections have been held. There is freedom of movement; police reform has begun. A lot of the airwaves now are filled with information instead of vicious, partisan hatred.

Bosnia is no longer the powder keg at the heart of Europe because of you. And I cannot thank you enough. Your children and your grandchildren will look back on this moment and know that you have done something not only of surpassing importance, but something that is profoundly good.

We gave you a mission and you delivered. So when you go to bed tonight, thank God that you were given a chance to do something like this. A lot of people live their whole lives and never ever, ever are able to give something so profoundly important to others as the gift you have given to the children of Bosnia.

Thank you, and God bless you for it. (Cheers and applause.)

Let me also say that even though this has been a remarkably nonviolent mission, it has not been free of risks. I was thinking today coming here to Tuzla that in August a couple of years ago, when we were working on the peace process, we lost three remarkable people -- Bob Frasure, Joe Kruzal and Nelson Drew, who were part of our team trying to make a peace agreement. And their vehicle crumbled on a weak road, and they were killed in a horrible accident. We had a couple of other accidents on the road. We lost one soldier who was killed when he walked over to a mine and just kneeled down and started dealing with it.

But the most important thing I was thinking about today, from a purely personal point of view, is that it wasn't so very long ago that my good friend, the Secretary of Commerce, Ron Brown, was here in Tuzla. He spent the last day of his life here before his plane crashed. And I want to tell you, I've seen the pictures. He had a very happy last day because he was here with the men and women of the United States Armed Forces, glorying in and participating in this mission.

I also want to say to you that in spite of all you have done, I think it is imperative that we not stop until the peace here has a life of its own, until it can endure without us. We have worked too hard to let this go.

I thank the members of Congress from both parties who have come here out of concern for you and your work. I want to say a special word of thanks again to Senator Dole. He said something to me on the phone the other day -- he says so many things that are funny and pithy that if I start stealing his lines without attribution I'll get in trouble. So I want to tell you -- he said this to me. We were talking about Bosnia, and he said, look, it's worked. He said, I didn't necessarily agree with everything you did, but on the whole this thing has worked. And this is like being in a football game, and we're ahead, it's the fourth quarter. Who wants to walk off the field and forfeit the game? We ought to stay here, finish the game and take home the win for the world and for freedom. And that's exactly what I intend to do, thanks to what you have proven that America can stand for and that we can accomplish. And again I say, thank you very, very much. (Cheers and applause.)

One other thing, just for my information. How many of you here are on your second tour here? (Cheers.) I met a young man today, I said, how long have you been in the Army? He said, I've been in the Army five years. And he said, the last time I saw you, I was in Haiti. He said in five years he's done two tours in Haiti and one tour in Bosnia. Just sort of laying around, you know. (Laughter.)

I don't think many Americans understand exactly how deep the burdens are on our men and women in uniform today. Because we have downsized the military in the aftermath of the Cold War, when we taken on these responsibilities, it is very hard for a lot of people. We rotate these missions a little more rapidly than we would like to. We draw out Reservists and Guardsmen more often than we would like to. But you have always done what you were asked to do. And you have always delivered for America.

So on this Christmas season I ask the American people, who will see this on television tonight or tomorrow, to remember what we owe to the Soldiers, the Sailors, the Airmen, the Marines of the Armed Forces at home and around the world -- in the Persian Gulf, on the DMZ in Korea, here in Bosnia -- our nation is at peace and our people are secure because of you. Our country can grow stronger and more prosperous, our people can live out their dreams, our children can sleep well because of you. Your sacrifice makes this possible.

I think that one of the things that you may wonder is whether people back home know you're here and appreciate what you're doing. Since you've done it so well, there aren't any visible problems, and you make it look easy.

I got a fascinating letter the other day from the mother of a soldier stationed in Camp Eagle -- Specialist Christina Campbell. And the mother said, so as you get busy spreading holiday cheer, don't forget the peacekeepers and those they hold dear. And Specialist Campbell actually wrote a poem. So I want to tell you, I took just a little bit out of it, because I want you to know that at this Christmas you are in the hearts of the American people. And her words are your words. Listen to these, she says, "No, this is not our soil and it's not our own fight. But if you've seen what I have, then you know that it's right."

God bless you all. And God bless America. (Cheers and applause.)

END 5:55 P.M. (L)