

[View Header](#)

THE WHITE HOUSE

Office of the Press Secretary
(San Francisco, California)

For Immediate Release

February 26, 1998

STATEMENT BY THE PRESS SECRETARY

Surrender of Bosnia War Criminal

We welcome the surrender of another indicted Bosnian Serb War Criminal February 24.

This is the third indictee to surrender in less than two weeks, bringing to 26 the number of indicted war criminals to face justice before the International Criminal Tribunal for the former Yugoslavia, fully half of whom chose to surrender. We hope other surrenders will follow.

These surrenders take place against a backdrop of dramatic progress in Bosnia, a trend which accelerated after the President's visit to Bosnia in December. The new pro-Dayton Government in Republika Srpska has done much to overcome hardline obstruction -- including setting the stage for the recent surrenders of indicted war criminals as well as a series of other very welcome developments such as resolution of long-standing disputes over a common flag, currency, license plate, and passport; resumption of inter-Entity mail deliveries and telecommunications; and initiatives on refugee returns in both Entities.

#

[View Header](#)

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release March 3, 1998

TO THE CONGRESS OF THE UNITED STATES:

I hereby certify that the continued presence of U.S. armed forces, after June 30, 1998, in Bosnia and Herzegovina is required in order to meet the national security interests of the United States, and that it is the policy of the United States that U.S. armed forces will not serve as, or be used as, civil police in Bosnia and Herzegovina.

This certification is presented pursuant to section 1203 of the National Defense Authorization Act for Fiscal Year 1998, Public Law 105-85, and section 8132 of the National Defense Appropriations Act for Fiscal year 1998, Public Law 105-56. The information required under these sections is in the report that accompanies this certification. The supplemental appropriations request required under these sections is being forwarded under separate cover.

America has major national interests in peace in Bosnia. We have learned from hard experience in this turbulent century that America's security and Europe's stability are intimately linked. The Bosnian war saw the worst fighting -- and the most profound humanitarian disaster -- on that continent since the end of the Second World War. The conflict could easily have spread through the region, endangering old Allies and new democracies alike. A larger conflict would have cast doubt on the viability of the NATO alliance itself and crippled prospects for our larger goal of a democratic, undivided, and peaceful Europe.

The Dayton framework is the key to changing the conditions that made Bosnia a fuse in a regional powder keg. It is decisively in American interests to see Dayton implemented as rapidly as feasible, so that peace becomes self-sustaining. U.S. leadership is as essential to sustaining progress as it has been to ending the war and laying the foundation for peace.

I expect the size of the overall NATO force in Bosnia and Herzegovina will remain similar to that of the current SFOR. However, the U.S. contribution would decline by about 20 percent, as our Allies and partners continue to shoulder an increasing share of the burden.

Although I do not propose a fixed end-date for this presence, it is by no means open-ended. Instead, the goal of the military presence is to establish the conditions under which Dayton implementation can continue without the support of a major NATO-led military force. To achieve this goal, we have established concrete and achievable benchmarks, such as the reform of police and media, the elimination of illegal pre-Dayton institutions, the conduct of elections according to democratic norms, elimination of cross-entity barriers to commerce, and a framework for the phased and orderly return of refugees. NATO and U.S. forces will be reduced progressively as achievement of these benchmarks improves conditions, enabling the international community to rely largely on traditional diplomacy, international civil personnel, economic incentives and disincentives, confidence-building measures, and negotiation to continue implementing the Dayton Accords over the longer term.

In fact, great strides already have been made towards fulfilling these aims, especially in the last ten months since the United States re-energized the Dayton process. Since Dayton, a stable military environment has been created; over 300,000 troops returned to civilian life and 6,600 heavy weapons have been destroyed. Public security is improving through the restructuring, retraining and reintegration of local police. Democratic elections have been held at all levels of government and hard-line nationalists -- especially in the Republika Srpska -- are increasingly marginalized. Independent media and political pluralism are expanding. Over 400,000 refugees and displaced persons have returned home -- 110,000 in 1997. One third of the publicly-indicted war criminals have been taken into custody.

Progress has been particularly dramatic since the installation of a pro-Dayton, pro-democracy Government in Republika Srpska in December. Already, the capital of Republika Srpska has been moved from Pale to Banja Luka; media are being restructured along democratic lines; civil police are generally cooperating with the reform process; war criminals are surrendering; and Republika Srpska is working directly with counterparts in the Federation to prepare key cities in both entities for major returns of refugees and displaced persons.

At the same time, long-standing obstacles to inter-entity cooperation also are being broken down: a common flag now flies over Bosnian institutions, a common currency is being printed, a common automobile license plate is being manufactured, and mail is being delivered and trains are running across the inter-entity boundary line.

Although progress has been tangible, many of these achievements still are reversible and a robust international military presence still is required at the present time to sustain the progress. I am convinced that the NATO-led force -- and U.S. participation in it -- can be progressively reduced as conditions continue to improve, until the implementation process is capable of sustaining itself without a major international military presence.

WILLIAM J. CLINTON

THE WHITE HOUSE,
March 3, 1998.

#

[View Header](#)

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release March 4, 1998

PRESIDENT SEEKS \$2.5 BILLION FOR 1998
TO SUPPORT MILITARY OPERATIONS IN BOSNIA AND SOUTHWEST ASIA,
PROVIDE DISASTER RELIEF

President Clinton asked Congress today to provide \$2.5 billion in emergency 1998 funding to support military operations in Bosnia and Southwest Asia and meet urgent needs created by recent natural disasters in California, Florida, New England, Guam, and other locations. In addition, the President requested \$1.86 billion in emergency 1999 funding to support operations in Bosnia during that year.

For 1998, the request includes \$1.85 billion in supplemental funds for Bosnia and Southwest Asia, to fund the extension of the U.S. mission in Bosnia beyond June 30 and the build-up of U.S. forces in Southwest Asia pursuant to Iraqi intransigence with regard to United Nations Special Commission (UNSCOM) inspections; and \$642 million in supplemental funds, which includes \$255 million in contingent funding, for unanticipated emergencies resulting from recent flooding, ice storms, El Nino, and other natural disasters.

For 1999, the President's budget contains an allowance for emergencies and natural disasters. The President is submitting an amendment to his 1999 budget request to use \$1.86 billion of those funds to pay for the full cost of Bosnia operations for that fiscal year.

Along with the supplemental package, the President transmitted to

Congress a statement, required by both the fiscal 1998 Department of Defense Appropriations and Authorization Acts, to certify that the continued presence of U.S. forces in Bosnia beyond June 30 is required to meet the security interests of the United States.

Bosnia

America has major national interests in peace in Bosnia. We have learned from hard experience in the twentieth century that America's security and Europe's stability are intimately linked. The United States and its allies have made much progress in forging a lasting peace, but much more work remains to be done. Continued American leadership is required to sustain this peace and support the NATO-led Stabilization Force (SFOR) mission. A U.S. military presence in Bosnia will enable the people of that country to lay a firm foundation of peace and cooperation for the future. Funds totaling \$487 million in 1998, and \$1.86 billion in 1999, will sustain this effort.

Southwest Asia

Seven years after agreeing to submit to United Nations-sponsored inspections of sites suspected of harboring weapons of mass destruction, Iraq has flaunted the will of the international community by turning away repeatedly the U.N. inspectors. This deliberate intransigence threatens the surrounding region and the entire world, and cannot go unanswered. The deployment of U.S. forces to Southwest Asia will ensure the protection of our interests, and will remind Iraq of the severe penalties of non-compliance. U.S. military action still may be required; accordingly, our additional forces will remain in Southwest Asia for the foreseeable future. For purposes of the 1998 supplemental, the President's \$1.36 billion request will cover the costs that would be associated with sustaining the current force levels and operations in the region for the remainder of the fiscal year.

Disaster Relief

In addition to the Defense Department emergency funds requested for Bosnia and Southwest Asia, the President is requesting \$642 million for 1998 emergency requirements resulting from recent flooding, ice storms, El Nino, and other natural disasters. This includes \$152 million in contingent funding for anticipated needs arising from these disasters that have not yet been documented.

"The funds I am requesting today will help to bolster our efforts to reduce the suffering of the countless Americans who have been hardest hit by disasters in recent months," said the President. "We are committed to helping them and their families as they work to put their lives back together."

The funds include:

\$224 million for the Federal Highway Administration (FHWA) to repair highway damage resulting from the floods in California and the Northeastern United States and other disasters Nationwide.

The President is also requesting \$35 million in contingent funding for FHWA, to be made available upon his submission of a later budget request to Congress designating the entire amount requested as an emergency requirement.

\$122.8 million for the Defense Department. The request includes \$120.7 million for damage in Guam resulting from Typhoon Paka and \$2 million for damage in the United States resulting from ice storms.

In addition, the President is requesting \$50 million in contingent funding for damage to military facilities caused by recent natural disasters

\$143 million, including \$103 million in contingent funding, for the Agriculture Department. The requested funds include: \$10 million for the Farm Service Agency, of which \$6 million in subsidy budget authority would support \$25 million in emergency loans to assist family farmers; \$5 million for watershed and flood prevention operations such as opening dangerously restricted channels and waterways; \$10 million for the Forest Service to repair damage caused by recent ice storms; \$48 million for State and private forestry; \$40 million for watershed and flood prevention operations; and \$4 million for dairy and livestock assistance.

\$36.8 million in contingent funding for the Interior Department. These funds include: \$25 million for the Fish and Wildlife Service to repair damage to national wildlife refuge property and structures; \$8.5 million for the National Park Service to repair and replace facilities; \$2.3 million for the Bureau of Reclamation to repair flood control levees and dikes; and, \$1 million for the U.S. Geological Service to repair damage to its facilities and monitoring equipment.

\$30 million in contingent funding for the U.S. Army Corps of Engineers. These funds would be used to complete repairs of damage to navigation channels and harbors, flood control channels, and reservoir facilities due to El Nino in California, the Pacific Northwest, and Florida.

[View Header](#)

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release May 28, 1998

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 Order 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 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 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 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, further substantial progress has been achieved to bring about a settlement of the conflict in the former Yugoslavia acceptable to the parties. Another set of elections occurred in 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 being addressed on a case-by-case basis.

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, 1998.

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 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, 1998.

###

[View Header](#)

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release May 28, 1998

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

May 28, 1998

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

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 Bosnia and Herzegovina, is to continue in effect beyond May 30, 1998.

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 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 past year, further substantial progress has been achieved to bring about a settlement of the conflict in the former Yugoslavia acceptable to the parties. Additional elections occurred in 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 being addressed on a case-by-case basis.

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, 1998.

Sincerely,

WILLIAM J. CLINTON

#

[View Header](#)

THE WHITE HOUSE

Office of the Press Secretary
(Nashville, Tennessee)

For Immediate Release

June 22, 1998

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

June 19, 1998

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

In my last 6-month report to the Congress I provided further information on the deployment of combat-equipped U.S. Armed Forces to Bosnia and other states in the region in order to participate in and support the North Atlantic Treaty Organization (NATO)-led Stabilization Force (SFOR), which began its mission and assumed authority from the NATO-led Implementation Force (IFOR) 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 halt 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 increasingly rapid progress toward sustainable peace in Bosnia. We have helped foster more cooperative pro-Dayton leadership in Bosnia-Herzegovina, resulting in much improved performance by the parties in fulfilling their responsibilities to implement the Dayton 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. On June 15, 1998, the Security Council extended the authorization for the SFOR for an additional period terminating June 21, 1999. The mission of SFOR is to deter resumption of hostilities and stabilize the security environment to facilitate the civilian implementation process.

The SFOR has successfully deterred the resumption of hostilities by patrolling the Zone of Separation, inspecting and monitoring heavy weapons cantonment sites, enhancing and supervising Entity Armed Forces (EAF) demining work, and, within existing authorities and capabilities, providing support to international agencies.

The primary way SFOR supports the civilian implementation effort is by contributing to a secure environment. The SFOR works closely with the International Police Task Force (IPTF), which was established on December 21, 1995, under Security Council Resolution 1035. With SFOR support, the IPTF has successfully created indigenous public security capabilities by reforming and training the local police. Both the SFOR and the IPTF, as a result, enhance public security in ways that promote civil implementation of the Peace Agreement. This collective approach works to make the implementation process progressively more self-sustaining without exceeding the SFOR's current level of intensity and involvement.

By contributing to a secure environment, the SFOR has fostered greater progress by civilian implementers, including helping to restore road, rail, and air transportation links, reforming racist and nondemocratic media, and supporting international preparations for supervision of the national elections in Bosnia-Herzegovina in September 1998. In addition, the SFOR has contributed to efforts to bring 31 persons indicted for war crimes into custody in The Hague.

The U.S. force contribution to SFOR in Bosnia is approximately 7,800 -- roughly one-third of the number of U.S. troops deployed with IFOR at the peak of its strength. The U.S. forces participating in SFOR include U.S. Army forces that were stationed in Germany and the United States, as well as special operations forces, airfield operations support forces, air forces, and reserve component personnel. An amphibious force under U.S. control is normally available as a 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 December 1997, U.S. forces have sustained no fatalities.

A U.S. Army contingent remains deployed in the Former Yugoslav Republic of Macedonia (FYROM) as part of the United Nations Preventive Deployment Force (UNPREDEP). This U.N. peacekeeping force, which includes some 350 U.S. soldiers, observes and monitors conditions along the borders with the Federal Republic of Yugoslavia and Albania. The UNPREDEP continues to play a key role in preventing the spillover of ethnic conflict from the Federal Republic of Yugoslavia (FRY) into FYROM and the region. In doing so, it has helped FYROM become a bulwark against the southward spread of the conflict in the FRY. Several U.S. Army helicopters are also deployed to provide support to U.S. forces and may support UNPREDEP as required on a case-by-case basis. The Security Council voted December 4, 1997, to authorize an extension of the UNPREDEP mandate through August 31, 1998. We are currently exploring options regarding the extension of UNPREDEP's mandate in light of the growing violence and instability in Kosovo.

A small contingent of U.S. military personnel also served in Croatia in direct support of the Transitional Administrator of the United Nations Transitional Administration in Eastern Slovenia (UNTAES). These personnel were redeployed when the UNTAES mandate expired on January 15, 1998; a follow-on U.N. civilian police operation continues in the region.

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

#

[View Header](#)

THE WHITE HOUSE

Office of the Press Secretary
(Little Rock, Arkansas)

For Immediate Release July 17, 1998

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) (the "FRY (S&M)"), 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 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 ("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 initiated 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 Resolution 1022. On October 1, 1996, the United Nations passed Resolution 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. Resolution 1074, however, reaffirms the provisions of Resolution 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, 1997, through May 29, 1998. 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 Resolution 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 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 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 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 have been no amendments to the Regulations since my report of December 3, 1997.

3. Over the past 2 years, 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 Resolution 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 two 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 U.S. creditors to exchange a portion of blocked unallocated FRY (S&M) debt obligations for the share of such obligations assumed by the obligors in the Republic of Bosnia and Herzegovina; and (2) to authorize certain financial transactions with respect to blocked funds located at a foreign branch of a U.S. bank.

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 5 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. On March 31, 1998, however, the Court dismissed the claims as nonjustifiable. Another case, *D.C. Precision, Inc. v. United States, et al.*, 97 Civ. 9123 CRLC, was filed in the Southern District of New York on December 10, 1997, alleging that the Government had improperly blocked Precision's funds held at one of the closed Serbia banking agencies in New York.

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.

Since my last report, OFAC has collected one civil monetary penalty totaling nearly \$153,000 for violations of the sanctions. These violations involved prohibited payments to the Government of the FRY (S&M) by a U.S. company.

6. The expenses incurred by the Federal Government in the 6-month period from November 30, 1997, through May 29, 1998, 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 \$360,000, 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. Resolution 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, Resolution 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 Resolution 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,
July 16, 1998.

#

[View Header](#)

THE WHITE HOUSE

Office of the Press Secretary
(Los Angeles, California)

For Immediate Release

September 27, 1998

STATEMENT BY THE PRESIDENT

Early this morning in Bosnia, United States SFOR forces led a multi-national effort to detain Stevan Todorovic, an indicted war criminal. The detention took place without incident and Todorovic is now in the custody of the International War Crimes Tribunal in The Hague.

Todorovic, who served as chief of police for Bosanski Samac in 1992, is accused by the Tribunal of being personally responsible for some of the most heinous crimes that took place during the conflict in Bosnia.

This brings to 35 the number of indicted war criminals brought to justice. SFOR has assisted in well over half of these cases. This action by U.S. and other SFOR troops shows our continued determination to bring to justice those responsible for war crimes in Bosnia. This message should not be lost on those indicted war criminals still at large.

I wish to express my admiration for the SFOR troops who were involved in this operation and who continue to work daily to consolidate the peace in Bosnia and Herzegovina.

-30-30-30-

[View Header](#)

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release December 3, 1998

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

December 3, 1998

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 ("Resolution 1022"), immediately and indefinitely suspending U.N. 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 initiated 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 Resolution 1022. On October 1, 1996, the United Nations Security Council passed Resolution 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. Resolution 1074, however, reaffirms the provisions of Resolution 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, 1998. 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 Order 12810, Executive Order 12831, and Executive Order 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 Fed. Reg. 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 Resolution 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 Fed. Reg. 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 Fed. Reg. 64289, December 4, 1996).

On April 18, 1997, the Regulations were amended by adding new section 585.528, to provide for the unblocking of the following five vessels: the M/V MOSLAVINA, M/V ZETA, M/V LOVCEN, M/V DURMITOR and M/V BAR (a/k/a M/V INVIKEN) after 30 days (62 Fed. Reg. 19672, April 23, 1997). Two previously blocked vessels, the M/V KAPETAN MARTINOVIC and the M/V BOR, were sold prior to August 18, 1997, pursuant to licenses and the proceeds of the sales placed in blocked interest-bearing accounts at U.S. financial institutions as substitute property for the blocked vessels.

On November 6, 1998, section 585.528 was amended to provide for the unblocking of these accounts, representing the two vessels, after 30 days (63 Fed. Reg. 59883, November 6, 1998). During this period, United States persons may negotiate settlements of their outstanding claims with respect to the vessels with the vessels' owners or agents. If claims remain unresolved by November 27, United States persons are generally licensed to seek and obtain judicial writs of attachment against the funds during the 10-day period prior to the accounts' unblocking. A copy of the amendment is attached to this report.

3. Over the past 2 years, 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 Resolution 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 two 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 payment from blocked funds of licensing fees due to the New York State Banking Department for one of the Serbian financial institutions blocked in 1992 and (2) to authorize the transfer of a blocked account from one financial institution into another.

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; and (3) remaining blocked FRY (S&M) tangible property, including real estate.

D.C. Precision, Inc. v. United States, et al., 97 Civ. 9123 CRLC, was filed in the Southern District of New York on December 10, 1997, alleging that the Government had improperly blocked Precision's funds held at one of the closed Serbia banking agencies in New York. This case is still pending.

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. On October 23, 1998, the defendants in the case entered guilty pleas. A sentencing date has not yet been scheduled.

Since my last report, OFAC has collected one civil monetary penalty totaling nearly \$4,200 for violations of the sanctions. These violations involved prohibited importations into the United States of goods originating in Serbia.

6. The expenses incurred by the Federal Government in the 6-month period from May 30 through November 29, 1998, 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 \$360,000, 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 Bosnia-Herzegovina acceptable to the parties. Resolution 1074 terminated sanctions in view of the first free and fair elections to occur in Bosnia and Herzegovina, as provided for in the Dayton Peace Agreement. In reaffirming Resolution 1022, however, Resolution 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 Resolution 1022 have been met. Therefore, on May 28, 1998, I 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. The importance of maintaining these sanctions is further reinforced by the unacceptable actions and policies of Belgrade authorities in Kosovo and in the areas of human rights, democratization, and war crimes investigations. These developments threaten to disrupt progress in implementation of Dayton and security in the region generally.

Accordingly, 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