

capital. We are encouraging microenterprise through the Department of Treasury's Community Development Financial Institution Fund, an initiative that makes it easier for prospective entrepreneurs to obtain the training and financing they need to start their own businesses. Working in partnership with State governments, we are striving to help modernize our Nation's small and medium-sized manufacturers and removing regulatory barriers to the adoption of new technologies in such fields as telemedicine, building and construction, and environmental technologies. We have also developed a National Export Strategy to help America's small and medium-sized businesses realize their export potential and compete effectively in the global marketplace.

As we observe Small Business Week, I join all Americans in saluting the men and women who have embraced the opportunities our country offers, whose hard work is transforming their communities, and whose energy and initiative are building our country into the kind of Nation we want to be in the 21st century.

Now, Therefore, I, William J. Clinton, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim June 1 through June 7, 1997, as Small Business Week. I call upon government officials and all the people of the United States to observe this week with appropriate ceremonies, activities, and programs that celebrate the achievements of small business owners and encourage the development of new enterprises.

In Witness Whereof, I have hereunto set my hand this thirtieth day of May, in the year of our Lord nineteen hundred and ninety-seven, and of the Independence of the United States of America the two hundred and twenty-first.

William J. Clinton

[Filed with the Office of the Federal Register, 8:45 a.m., June 3, 1997]

NOTE: This proclamation will be published in the *Federal Register* on June 4.

Message to the Congress on the Generalized System of Preferences

May 30, 1997

To the Congress of the United States:

The Generalized System of Preferences (GSP) program offers duty-free treatment to specified products that are imported from designated developing countries. The program is authorized by title V of the Trade Act of 1974, as amended.

Pursuant to title V, I have determined that Cambodia should be designated as a least developed beneficiary developing country under the GSP program because it has taken steps to improve worker rights and the protection of intellectual property. I have also determined, as a result of the 1995 Annual Review of petitions for changes that three products should be added to the GSP list of eligible products and that the competitive need limits on 22 products should be waived. As a result of a review of 1996 imports of GSP products, I have determined that de minimis limits on 79 products be waived and 11 products, whose imports no longer exceed the program's competitive need limits, should be redesignated as GSP eligible. Finally as a result of certain provisions of the legislation enacted in August 1996 reauthorizing GSP, I am granting GSP eligibility to an additional 1,783 articles not previously included under GSP, provided that they are imported directly from the least developed beneficiary developing countries.

This notice is submitted in accordance with the requirements of title V of the Trade Act of 1974.

William J. Clinton

The White House,
May 30, 1997.

Message to the Congress on the Federal Republic of Yugoslavia (Serbia and Montenegro) and the Bosnian Serbs

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 ex-

traordinary 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.

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 personality 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 Depart-

ment 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.

**Digest of Other
White House Announcements**

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

May 26

In the morning, the President traveled to Arlington National Cemetery in Arlington, VA, where he laid a wreath at the Tomb of the Unknowns. In the afternoon, he returned to Washington, DC.

In the evening, the President and Hillary Clinton traveled to Paris, France, arriving the following morning.

May 27

In the morning, the President met with President Jacques Chirac of France in President Chirac's office at Elysee Palace.

In the afternoon, the President attended a luncheon hosted by President Chirac in the State Dining Room of the Palace.

In the evening, the President met with President Boris Yeltsin of Russia in the Samuel Bernard Room at the U.S. Ambassador's Residence. Later, the President and Hillary Clinton traveled to Amsterdam, The Netherlands.

The President announced the nomination of Bonnie R. Cohen as Under Secretary for Management at the State Department.

May 28

In the afternoon, the President and Hillary Clinton took a brief walking tour of a shopping district in The Hague. In the evening, they took a walking tour of downtown Delft, a Dutch city dating back to the 15th century.

The President announced his intention to nominate Susan Rice as the Assistant Secretary for African Affairs at the State Department.

The President announced the appointment of Christopher J. Queram as a member of the Advisory Commission on Consumer Protection and Quality in the Health Care Industry.

The White House announced that the President will meet with Prime Minister John

Howard of Australia at the White House on June 27.

May 29

In the morning, the President and Hillary Clinton traveled to London, United Kingdom. Later, the President met with Prime Minister Tony Blair in the White Room at 10 Downing Street.

In the afternoon, the President and Hillary Clinton visited the U.S. Ambassador's Residence where the President addressed the Embassy staff. In the evening, they returned to Washington, DC.

The President announced the nomination of Paul Simon to serve as a member of the National Institute for Literacy Advisory Board.

May 30

The President announced his intention to nominate James Franklin Collins as Ambassador to Russia.

The White House announced that Chelsea Clinton will graduate from the Sidwell Friends School in Washington, DC, on June 6.

**Nominations
Submitted to the Senate**

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

Submitted May 23¹

Bonnie R. Cohen,
of the District of Columbia, to be an Under Secretary of State, vice Richard Menifee Moose.

¹ This nomination was not received in time for publication in the appropriate issue.