

State of the Union Address

Q. Is this going to be longer than last year?

The President. Tune in. I suppose it depends on the applause, doesn't it? [Laughter]

[At this point, one group of reporters left the room, and another group entered.]

Middle East Peace Process

Q. Mr. President, I'm a correspondent of the Israeli television. Do you hope to reach an agreement between Israel and Syria by the end of '96?

The President. Well, of course, that's up to Israel and Syria. All the United States has tried to do throughout this process is to try to do whatever we could to encourage the process of peace. And I think the timetable has to be driven by the progress that is made. That is entirely up to the parties.

Q. What are you doing in order to speed up such an agreement?

The President. We will do whatever we can, whatever we're asked to do, within the limits of our ability, to try to make it possible for the parties to succeed. But the timetable is entirely up to the progress of the substance of

the negotiations, and that is entirely up to the parties. The United States—I think we've had some success in the last 3 years because we have not tried to dictate terms or anything of that kind. We have only tried to be helpful and to try to support the parties as they search for peace. And if you look at the results of the last 3 years, that is the appropriate posture for the United States.

Q. Do you hope to initiate a meeting between President Asad and Prime Minister Peres of Israel? Is it one of your wishes for the months ahead?

The President. Well that, of course, will be up to them. If it is helpful in getting them to the point where they can make a peace, obviously, that would be a good thing. But that is a—like every other part of this process, ultimately that is up to them.

NOTE: The exchange began at 2:15 p.m. in the Oval Office at the White House. In his remarks, the President referred to President Hafiz al-Asad of Syria and Prime Minister Shimon Peres of Israel. A tape was not available for verification of the content of this exchange.

Message to the Congress on Economic Sanctions Against Libya *January 22, 1996*

To the Congress of the United States:

I hereby report to the Congress on the developments since my last report of July 12, 1995, concerning the national emergency with respect to Libya that was declared in Executive Order No. 12543 of January 7, 1986. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c); section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c); and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa-9(c).

1. On January 3, 1996, I renewed for another year the national emergency with respect to Libya pursuant to IEEPA. This renewal extended the current comprehensive financial and trade embargo against Libya in effect since 1986. Under these sanctions, all trade with Libya is prohibited, and all assets owned or con-

trolled by the Libyan government in the United States or in the possession or control of U.S. persons are blocked.

2. There has been one amendment to the Libyan Sanctions Regulations, 31 C.F.R. Part 550 (the "Regulations"), administered by the Office of Foreign Assets Control (FAC) of the Department of the Treasury, since my last report on July 12, 1995. The amendment (60 *Fed. Reg.* 37940-37941, July 25, 1995) added three hotels in Malta to appendix A, Organizations Determined to Be Within the Term "Government of Libya" (Specially Designated Nationals (SDNs) of Libya). A copy of the amendment is attached to this report.

Pursuant to section 550.304(a) of the Regulations, FAC has determined that these entities designated as SDNs are owned or controlled by, or acting or purporting to act directly or indirectly on behalf of, the Government of

Libya, or are agencies, instrumentalities, or entities of that government. By virtue of this determination, all property and interests in property of these entities that are in the United States or in the possession or control of U.S. persons are blocked. Further, U.S. persons are prohibited from engaging in transactions with these entities unless the transactions are licensed by FAC. The designations were made in consultation with the Department of State.

3. During the current 6-month period, FAC made numerous decisions with respect to applications for licenses to engage in transactions under the Regulations, issuing 54 licensing determinations—both approvals and denials. Consistent with FAC's ongoing scrutiny of banking transactions, the largest category of license approvals (20) concerned requests by Libyan and non-Libyan persons or entities to unblock transfers interdicted because of an apparent Government of Libya interest. A license was also issued to a local taxing authority to foreclose on a property owned by the Government of Libya for failure to pay property tax arrearages.

4. During the current 6-month period, FAC continued to emphasize to the international banking community in the United States the importance of identifying and blocking payments made on behalf of Libya. The Office worked closely with the banks to implement new interdiction software systems to identify such payments. As a result, during the reporting period, more than 107 transactions potentially involving Libya, totaling more than \$26.0 million, were interdicted. As of December 4, 23 of these transactions had been authorized for release, leaving a net amount of more than \$24.6 million blocked.

Since my last report, FAC collected 27 civil monetary penalties totaling more than \$119,500, for violations of the U.S. sanctions against Libya. Fourteen of the violations involved the failure of banks or credit unions to block funds transfers to Libyan-owned or -controlled banks. Two other penalties were received from corporations for export violations or violative payments to Libya for unlicensed trademark transactions. Eleven additional penalties were paid by U.S. citizens engaging in Libyan oilfield-related transactions while another 40 cases involving similar violations are in active penalty processing.

In November 1995, guilty verdicts were returned in two cases involving illegal exportation of U.S. goods to Libya. A jury in Denver, Colo-

rado, found a Denver businessman guilty of violating the Regulations and IEEPA when he exported 50 trailers from the United States to Libya in 1991. A Houston, Texas, jury found three individuals and two companies guilty on charges of conspiracy and violating the Regulations and IEEPA for transactions relating to the 1992 shipment of oilfield equipment from the United States to Libya. Also in November, a Portland, Oregon, lumber company entered a two-count felony information plea agreement for two separate shipments of U.S.-origin lumber to Libya during 1993. These three actions were the result of lengthy criminal investigations begun in prior reporting periods. Several other investigations from prior reporting periods are continuing and new reports of violations are being pursued.

5. The expenses incurred by the Federal Government in the 6-month period from July 6, 1995, through January 5, 1996, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the Libyan national emergency are estimated at approximately \$990,000. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the Office of the General Counsel, and the U.S. Customs Service), the Department of State, and the Department of Commerce.

6. The policies and actions of the Government of Libya continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. In adopting UNSCR 883 in November 1993, the Security Council determined that the continued failure of the Government of Libya to demonstrate by concrete actions its renunciation of terrorism, and in particular its continued failure to respond fully and effectively to the requests and decisions of the Security Council in Resolutions 731 and 748, concerning the bombing of the Pan Am 103 and UTA 772 flights, constituted a threat to international peace and security. The United States will continue to coordinate its comprehensive sanctions enforcement efforts with those of other U.N. member states. We remain determined to ensure that the perpetrators of the terrorist acts against Pan Am 103 and UTA 772 are brought to justice. The families of the victims in the murderous Lockerbie bombing and other acts of Libyan terrorism deserve nothing less. I shall continue to exercise

the powers at my disposal to apply economic sanctions against Libya fully and effectively, so long as those measures are appropriate, and will

continue to report periodically to the Congress on significant developments as required by law.

WILLIAM J. CLINTON

The White House,
January 22, 1996.

Address Before a Joint Session of the Congress on the State of the Union *January 23, 1996*

Thank you very much. Mr. Speaker, Mr. Vice President, Members of the 104th Congress, distinguished guests, my fellow Americans all across our land: Let me begin tonight by saying to our men and women in uniform around the world and especially those helping peace take root in Bosnia and to their families, I thank you. America is very, very proud of you.

My duty tonight is to report on the state of the Union, not the state of our Government but of our American community, and to set forth our responsibilities, in the words of our Founders, to form a more perfect Union.

The state of the Union is strong. Our economy is the healthiest it has been in three decades. We have the lowest combined rates of unemployment and inflation in 27 years. We have completed—created nearly 8 million new jobs, over a million of them in basic industries like construction and automobiles. America is selling more cars than Japan for the first time since the 1970's. And for 3 years in a row, we have had a record number of new businesses started in our country.

Our leadership in the world is also strong, bringing hope for new peace. And perhaps most important, we are gaining ground in restoring our fundamental values. The crime rate, the welfare and food stamp rolls, the poverty rate, and the teen pregnancy rate are all down. And as they go down, prospects for America's future go up.

We live in an age of possibility. A hundred years ago we moved from farm to factory. Now we move to an age of technology, information, and global competition. These changes have opened vast new opportunities for our people, but they have also presented them with stiff challenges. While more Americans are living better, too many of our fellow citizens are work-

ing harder just to keep up, and they are rightly concerned about the security of their families.

We must answer here three fundamental questions: First, how do we make the American dream of opportunity for all a reality for all Americans who are willing to work for it? Second, how do we preserve our old and enduring values as we move into the future? And third, how do we meet these challenges together, as one America?

We know big Government does not have all the answers. We know there's not a program for every problem. We know, and we have worked to give the American people a smaller, less bureaucratic Government in Washington. And we have to give the American people one that lives within its means. The era of big Government is over. But we cannot go back to the time when our citizens were left to fend for themselves.

Instead, we must go forward as one America, one nation working together to meet the challenges we face together. Self-reliance and teamwork are not opposing virtues; we must have both. I believe our new, smaller Government must work in an old-fashioned American way, together with all of our citizens through State and local governments, in the workplace, in religious, charitable, and civic associations. Our goal must be to enable all our people to make the most of their own lives, with stronger families, more educational opportunity, economic security, safer streets, a cleaner environment in a safer world.

To improve the state of our Union, we must ask more of ourselves, we must expect more of each other, and we must face our challenges together.

Here, in this place, our responsibility begins with balancing the budget in a way that is fair