

embargo and vigorous diplomatic initiatives—while finding ways to reach out to the Cuban people through humanitarian efforts and help in developing civil society. They are also consistent with the Cuban Democracy Act and the Cuban Liberty and Democratic Solidarity Act. They reflect a strong and growing bipartisan consensus that the United States can and should do more to work with the Cuban people toward a future of democracy and prosperity.

Statement on Efforts To Redress Discrimination Against African-American Farmers

January 5, 1999

In December 1997, Vice President Gore and I met with a group of African-American and other small farmers who came to the White House to discuss farm issues and claims of discrimination by the Department of Agriculture. During the meeting we heard painful statements about the plight of several African-American farmers who were struggling to ensure that their farms remain alive and vibrant. At the time, I pledged, along with Secretary Glickman, that the USDA would work tirelessly to ensure that a proper resolution to their concerns was reached.

Today Secretary Glickman announced an historic settlement of a civil rights lawsuit between African-American farmers and the USDA. I want to take this opportunity to thank Secretary Glickman and his staff, members of my staff, and the Department of Justice for working so hard to bring about this major milestone. I also want to applaud the farmers themselves for their unceasing efforts to make their Government hear their calls for justice. Finally, I want to thank all those in the Congress, particularly the Congressional Black Caucus, Senators Robb and Grassley, and Speaker Gingrich, who worked to pass critical legislation waiving a statute of limitations provision which had prevented less timely, but no less deserving, discrimination cases from being addressed.

Today's action is an important step in Secretary Glickman's ongoing efforts to rid the Agriculture Department of discriminatory behavior and redress any harm that has been

caused by past discrimination against African-American family farmers. For more than 2 years, the Secretary has worked diligently to restructure the Civil Rights Office at USDA to make it responsive to the needs of all farmers who wish to have their claims heard.

My administration has always been committed to fighting discrimination and expanding opportunity for all Americans—in our offices, in our factories, and on our farms. America's farm families stand for the values that have kept our Nation strong for over 220 years, and African-American family farmers have played an historic role in building that tradition. By helping to eliminate artificial barriers to African-American farm ownership, we will help to ensure that discrimination does not harm this proud heritage—and that all of America's farmers go strongly into the 21st century.

Letter to Congressional Leaders Reporting on the National Emergency With Respect to the Federal Republic of Yugoslavia (Serbia and Montenegro)

January 5, 1999

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

On June 9, 1998, by Executive Order 13088 (63 *Fed. Reg.* 32109, June 12, 1998), I declared a national emergency to deal with the unusual and extraordinary threat to the national security and foreign policy of the United States constituted by the actions and policies of the Governments of the Federal Republic of Yugoslavia (Serbia and Montenegro), and the Republic of Serbia with respect to Kosovo. The order blocks all property and interests in property of the Governments of the Federal Republic of Yugoslavia (Serbia and Montenegro), the Republic of Serbia and the Republic of Montenegro within the United States or within the possession or control of United States persons, and prohibits all new investment in the territory of the Republic of Serbia by United States persons, and the approval or other facilitation by United States persons of other persons' new investment in the territory of the Republic of Serbia.

1. The declaration of the national emergency on June 9, 1998, was made pursuant to the authority vested in me 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 by message to the Congress dated June 10, 1998, pursuant to section 204(b) of the International Emergency Economic Powers Act (50 U.S.C. 1703(b)).

The present report is submitted pursuant to 50 U.S.C. 1641(c) and 1703(c) and covers the period from June 9 through December 8, 1998. It discusses only Administration actions and expenses directly related to the exercise of powers and authorities conferred by the declaration of a national emergency in Executive Order 13088.

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 and Executive Order 13088 and has issued the Federal Republic of Yugoslavia (Serbia and Montenegro) Kosovo Sanctions Regulations, 31 CFR part 586 (the "Regulations") (63 *Fed. Reg.* 54575, October 13, 1998). A copy of the Regulations is attached to this report.

The Regulations block all property and interests in property of the Governments of the Federal Republic of Yugoslavia (Serbia and Montenegro), the Republic of Serbia, and the Republic of Montenegro that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession of control of United States persons, including their overseas branches. The Regulations also prohibit financial transactions with, including trade financing for, the Governments of the Federal Republic of Yugoslavia (Serbia and Montenegro), the Republic of Serbia, and the Republic of Montenegro by United States persons. However, the Regulations provide an exemption, contained in section 2 of Executive Order 13088, for financial transactions, including trade financing, by United States persons within the territory of the Federal Republic of Yugoslavia (Serbia and Montene-

gro) that are (a) conducted exclusively through the domestic banking system within the Federal Republic of Yugoslavia (Serbia and Montenegro) in local currency (dinars), or (b) conducted using bank notes or barter.

The Regulations also prohibit all new investment in the territory of the Republic of Serbia by United States persons, and the approval or other facilitation by United States persons or other persons' new investment in the territory of the Republic of Serbia. The term "new investment," means (a) the acquisition of debt or equity interests in, (b) a commitment or contribution of funds or other assets to, or (c) a loan or other extension of credit to, a public or private undertaking, entity, or project, other than donations of funds to charitable organizations for purely humanitarian purposes. Any transaction by a United States persons that evades or avoids, or that has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in Executive Order 13088 is prohibited. Finally, the Regulations provide a general license, authorizing all transactions by United States persons involving property or interests in property of the Government of the Republic of Montenegro, except as provided pursuant to the Federal Republic of Yugoslavia (Serbia and Montenegro) and Bosnian Serb-Controlled Areas of the Republic of Bosnia and Herzegovina Sanctions Regulations, 31 CFR part 585.

3. Since the issuance of Executive Order 13088 on June 9, 1998, OFAC has issued 73 specific licenses, the majority of which (55) authorized financial transactions with respect to personal remittances by individuals to the territory of the Federal Republic of Yugoslavia (Serbia and Montenegro) and funding of humanitarian operations by nongovernmental organizations (NGOs) within the Federal Republic of Yugoslavia (Serbia and Montenegro). Other licenses authorized certain diplomatic transactions, transactions related to air safety issues and payment of overflight fees, the closure of Federal Republic of Yugoslavia (Serbia and Montenegro) entities formerly operating within the United States and the liquidation and maintenance of blocked tangible property, and intellectual property protection for U.S. firms operating in the Federal Republic of Yugoslavia (Serbia

and Montenegro). OFAC also instituted a mechanism for NGOs to continue to support humanitarian operations in Yugoslavia and administers a registration program for NGOs to route money and supplies there as appropriate.

Since June 9, 1998, U.S. banks and banks in the United States have reported to OFAC that they have blocked 877 transactions totaling \$20,361,767 pursuant to the sanctions. Most of the blockings were of funds transfers originating from, or destined for, Serbian banks.

4. The expenses incurred by the Federal Government in the 6-month period from June 9 through December 8, 1998, that are directly attributable to the declaration of a national emergency with respect to the Federal Republic of Yugoslavia (Serbia and Montenegro) and the Republic of Serbia in connection with the situation in Kosovo are estimated at approximately \$715,000, 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), the Department of State, and the National Security Council.

5. The situation reviewed above continues to present an extraordinary and unusual threat to the national security and foreign policy of the United States. The declaration of the national emergency with respect to the Federal Republic of Yugoslavia (Serbia and Montenegro) and the Republic of Serbia contained in Executive Order 13088 was made in reaction to the unacceptable actions and policies of the Belgrade authorities in Kosovo, and continues to apply. The current situation in Kosovo is fragile and, as yet, unresolved. It is of particular importance that developments in Kosovo should not disrupt progress in implementing the Dayton peace agreement. This threat to the peace of the region constitutes an unusual and extraordinary threat to the national security of the United States.

With this in mind and in support of the United Nations Security Council Resolutions 1099 and 1203, 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), the Republic of Serbia, and the Republic of Montenegro, 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

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate.

Remarks on the Budget Surplus for Fiscal Year 1999

January 6, 1999

Thank you very much. Thank you, and good morning. Let me begin by saying that, for me, a primary purpose of this event is not only to formalize our budget projections for this coming year but just to thank all of you. I guess I ought to begin with John Podesta and the Vice President. I never dreamed when I asked John Podesta to be Chief of Staff that he would become the stand-up comic of the administration. *[Laughter]* Sort of seemed out of character. But I thought it was pretty good. And I could see a lot of you were reliving your holiday excruciating experiences.

One of the hardest jobs of the Vice President, he has to do all these very burdensome representations of the administration. He has to go places that I can't go, or don't want to go, and shoulder burdens I can't bear. And he just really—he went above and beyond the call by representing the administration at the Tennessee-Florida State football game. *[Laughter]* And I want to thank him for that enormous sacrifice. *[Laughter]*

I'd also like to thank the members of the economic team who have already been mentioned. We have had an extraordinary relationship over the last 6 years. It began before I assumed office with endless discussions and arguments about the finer points of what would be in the economic plan of 1993. It continued yesterday with a 2-hour meeting about what is the appropriate thing to do with the crisis that the American steel industry faces now.