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with key participants in the process. Ambassadors Holbrooke and Miller met extensively with Cypriot President Clerides and Turkish Cypriot leader Denktash during their visits to the United States. The two U.S. Envoys also traveled to the region in October to meet with the Turkish and (in the case of Ambassador Miller) Greek leadership to follow up on discussions begun with Secretary of State Madeleine K. Albright at the U.N. General Assembly in September, and again in November when Ambassador Holbrooke brought the two Cypriot leaders together in the buffer zone for an informal exchange of views on achieving a Cyprus solution.

Also during November, Ambassador Holbrooke moderated a privately sponsored conference of business leaders from both Cypriot communities in Greece and Turkey to discuss the mutual benefits of the economic cooperation in the region. Ambassador Miller and U.S. Ambassador to Cyprus Kenneth C. Brill also participated.

Senior U.S. officials met extensively during the reporting period with officials of the European Union, EU member states, and others to support Cypriot EU accession prospects and to encourage stronger EU-Turkish relations.

Tensions rose on the island during the October and November (respectively) Greek/Greek Cypriot military exercise NIKIFOROS and the Turkish/Turkish Cypriot military exercise TOROS. The exercises effectively ended the May 9 moratorium on overflights of Cyprus by combat aircraft. Interceptions by Turkish fighters of the Greek Defense Minister's transport aircraft during the NIKIFOROS exercise further exacerbated tensions in the region.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Jesse Helms, chairman, Senate Committee on Foreign Relations. This letter was released by the Office of the Press Secretary on January 14.

Letter to Congressional Leaders on Libya

January 13, 1998

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

I hereby report to the Congress on the developments since my last report of June 26, 1997, concerning the national emergency with respect to Libya that was declared in Executive Order 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 2, 1998, 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, virtually all trade with Libya is prohibited, and all assets owned or controlled by the Libyan government in the United States or in the possession or control of U.S. persons are blocked.

2. There have been two amendments to the Libyan Sanctions Regulations, 31 C.F.R. Part 550 (the "LSR" or the "Regulations"), administered by the Office of Foreign Assets Control (OFAC) of the Department of the Treasury, since my report of June 26, 1997. The Regulations were amended on August 25, 1997. General reporting, record-keeping, licensing, and other procedural regulations were moved from the Regulations to a separate part (31 C.F.R. Part 501) dealing solely with such procedural matters (62 *Fed. Reg.* 45098, August 25, 1997). A copy of the amendment is attached.

On September 15, 1997, the Regulations were amended to add to appendices A and B to 31 C.F.R. chapter V the name of one entity and one individual who have been determined to act for or on behalf of, or to be owned or controlled by, the Government of Libya (62 *Fed. Reg.* 48177, September 15, 1997). A copy of the amendment is attached.

3. During the reporting period, OFAC reviewed numerous applications for licenses to authorize transactions under the Regulations. Consistent with OFAC's ongoing scrutiny of banking transactions, the largest category of license approvals (32) concerned requests by non-Libyan persons or entities to unblock transfers interdicted because of what appeared to be Government of Libya interests. Five licenses authorized the provision of legal services to the Government of Libya in connection with actions in U.S. courts in which the Government of Libya was named as defendant. Licenses were also issued authorizing diplomatic and U.S. government transactions, and to permit U.S. companies to engage in transactions with respect to intellectual property protection in Libya. A total of 49 licenses was issued during the reporting period.

4. During the current 6-month period, OFAC continued to emphasize to the international banking community in the United States the importance of identifying and blocking payments made by or on behalf of Libya. The OFAC worked closely with the banks to assure the effectiveness of interdiction software systems used to identify such payments. During the reporting period, more than 70 transactions potentially involving Libya, totaling more than $4.4 million, were interdicted. As of November 10, 1997, 8 transactions had been authorized for release, leaving a net amount of more than $4.3 million blocked for the period.

5. Since my last report, OFAC collected 7 civil monetary penalties totaling more than $77,000 for violations of the U.S. sanctions against Libya. Five of the violations involved the failure of banks to block funds transfers or loan syndication payments to Libyan-owned or -controlled financial institutions or commercial entities in Libya. One U.S. corporation and one law firm paid OFAC penalties for export and payment to the Government of Libya violations, respectively. Fifty-five other cases are in active penalty processing.

Various enforcement actions carried over from previous reporting periods have continued to be aggressively pursued. On June 26, 1997, a Federal grand jury for the Middle District of Florida returned an indictment charging a St. Petersburg, Florida man with one count of conspiring to violate IEEPA and the Libyan Sanctions Regulations, two counts of dealing in property in which the Government of Libya has an interest, one count of purchasing goods (airline tickets) for export from Libya, and one count for transactions to evade and avoid the prohibitions of the LSR. The defendant remains a fugitive and warrants have been issued for his arrest. Numerous investigations are ongoing and new reports of violations are being scrutinized.

6. The expenses incurred by the Federal Government in the 6-month period from July 7, 1997, through January 6, 1998, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the Libyan national emergency are estimated at approximately $620,000.00. 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.

7. 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 United Nations 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.

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. This letter was released by the Office of the Press Secretary on January 14.

Remarks to Democratic Congressional Leaders and an Exchange With Reporters

January 14, 1998

Health Care Bill of Rights

The President. Thank you very much. Thank you, Mr. Vice President. Thank you, Mr. Gephardt, Senator Daschle. Mr. Bowles, thanks for hanging around. That will minimize our health care bills around here, I can assure you. [*Laughter*] I thank the Members of Congress for being here, and Deputy Secretary Higgins and Secretary Shalala. I'd like to especially thank two Members who are here, Congressman Dingell and Congressman Stark, for their leadership on this vitally important issue.

If I could, just very briefly, I'd like to put this issue into the larger context of what we're doing as a nation at this moment in history. If you look at the history of America, I think it's fair to say that we have not only survived, but prospered and grown increasingly stronger over 200 years because we have found a way, at every moment of challenge and change, to make the adjustments necessary to preserve our enduring values in a new set of circumstances. And we have done it by strengthening our Union and by applying the elemental principles of the Constitution and the fundamental values of the country to a new time. That's essentially what we're being called upon to do today.

I have said for 6 years now that, to me, all of our policies should be able to be explained in terms of three words: opportunity for all, responsibility from all, and a community that includes all Americans. Now, we know that because of the changes we're undergoing in the way people work and live and relate to each other and the rest of the world, the way all our major systems work because of globalization and the revolution in information and technology, that we are having to systematically reform virtually every major institution of society.

We've dramatically reformed the way the Government works. It's as small as it was—now—when President Kennedy was here. I would argue it's doing more with greater impact in a positive way. We're in the process of trying to create a system of lifetime learning in America, opening doors of college to all Americans and raising the standards of our schools and trying some different things that have not been previously done before.

We're trying to help people balance work and family. That's what the Family and Medical Leave Act was all about, and raising the minimum wage and the earned-income tax credit, and all those things. We're trying to make sure we can preserve the economy—preserve the environment while we grow the economy. And I would argue that we've demonstrated with a different approach you can do both things quite well. But all of this requires, anyway, a sense of purpose, to make sure that nobody gets left behind and that we really do change our institutions that protect the public interest as circumstances change.

That's basically what all these stories are about. I mean, the story that Mr. Gephardt told from the movie "As Good as it Gets," that I remember very well, too, is basically a story of a hard-working woman who's doing everything she's been asked to do by this country, gets up every day, goes to work, doesn't make a lot of money, obeys the law, does her best to take care of her kid, has done what she thought was right to provide health insurance to her child, and the system is not working for her. That means that we have not succeeded in reform. Yes, we've made a lot of progress in health care reform, but we've got a long way to go.

I think we were right to propose to extend Medicare coverage to people who can buy into it who are over 62 and have lost their health insurance or people who are over 55 who have been downsized or promised