

House on the disagreeing votes of the two Houses thereon, and appointed Mr. KENNEDY, Mr. PELL, Mr. METZENBAUM, Mr. SIMON, Mr. DODD, Mr. HARKIN, Ms. MIKULSKI, Mr. BINGAMAN, Mr. WELLSTONE, Mr. WOFFORD, Mrs. KASSEBAUM, Mr. JEFFORDS, Mr. COATS, Mr. GREGG, Mr. THURMOND, Mr. HATCH and Mr. DURENBERGER, to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1560. An Act to establish the Social Security Administration as an independent agency, and for other purposes.

¶17.5 MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. McCathran, one of his secretaries.

¶17.6 MESSAGE FROM THE PRESIDENT— NATIONAL EMERGENCY WITH RESPECT TO IRAQ

The SPEAKER pro tempore, Mr. VISCLOSKEY, laid before the House a message from the President, which was read as follows:

To the Congress of the United States:

I hereby report to the Congress on the developments since my last report of August 2, 1993, concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 of August 2, 1990. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c).

Executive Order No. 12722 ordered the immediate blocking of all property and interests in property of the Government of Iraq (including the Central Bank of Iraq), then or thereafter located in the United States or within the possession or control of a U.S. person. That order also prohibited the importation into the United States of goods and services of Iraqi origin, as well as the exportation of goods, services, and technology from the United States to Iraq. The order prohibited travel-related transactions to or from Iraq and the performance of any contract in support of any industrial, commercial, or governmental project in Iraq. U.S. persons were also prohibited from granting or extending credit or loans to the Government of Iraq.

The foregoing prohibitions (as well as the blocking of Government of Iraq property) were continued and augmented on August 9, 1990, by Executive Order No. 12724, which was issued in order to align the sanctions imposed by the United States with United Nations Security Council Resolution No. 661 of August 6, 1990.

Executive Order No. 12817 was issued on October 21, 1992, to implement in the United States measures adopted in United Nations Security Council Resolution No. 778 of October 2, 1992. Resolution 778 requires U.N. member states temporarily to transfer to a U.N. es-

crow account up to \$200 million apiece in Iraqi oil sale proceeds paid by purchasers after the imposition of U.N. sanctions on Iraq. These funds finance Iraq's obligations for U.N. activities with respect to Iraq, such as expenses to verify Iraqi weapons destruction and to provide humanitarian assistance in Iraq on a nonpartisan basis. A portion of the escrowed funds will also fund the activities of the U.N. Compensation Commission in Geneva, which will handle claims from victims of the Iraqi invasion of Kuwait. The funds placed in the escrow account are to be returned, with interest, to the member states that transferred them to the United Nations, as funds are received from future sales of Iraqi oil authorized by the U.N. Security Council. No member state is required to fund more than half of the total contributions to the escrow account.

This report discusses only matters concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 and matters relating to Executive Orders Nos. 12724 and 12817. The report covers events from August 2, 1993, through February 1, 1994.

1. During the reporting period, there were technical amendments to the Iraqi Sanctions Regulations relating to notification of transfers into blocked accounts and registration of persons holding blocked property, 58 Fed. Reg. 47643 (September 10, 1993). A copy of the amendments is attached for reference.

2. Investigations of possible violations of the Iraqi sanctions continue to be pursued and appropriate enforcement actions taken. These are intended to deter future activities in violation of the sanctions. Additional civil penalty notices were prepared during the reporting period for violations of the International Emergency Economic Powers Act and Iraqi Sanctions Regulations with respect to transactions involving Iraq. Three penalties totaling nearly \$54,000 were collected from three banks for violation of the prohibitions against funds transfers to Iraq, and noncompliance with reporting requirements and an Office of Foreign Assets Control directive license.

3. Investigation also continues into the roles played by various individuals and firms outside Iraq in the Iraqi government procurement network. These investigations may lead to additions to the Office of Foreign Assets Control's listing of individuals and organizations determined to be Specially Designated Nationals of the Government of Iraq.

4. Pursuant to Executive Order No. 12817 implementing United Nations Security Council Resolution No. 778, on October 26, 1992, the Office of Foreign Assets Control directed the Federal Reserve Bank of New York to establish a blocked account for receipt of certain post-August 6, 1990, Iraqi oil sales proceeds, and to hold, invest, and transfer these funds as required by the order. On July 20, 1993, following payments by the Governments of Saudi Arabia and Denmark of, respectively \$40,589,419.00

and \$674,360.00, to the special United Nations-controlled account, entitled United Nations Security Council Resolution No. 778 Escrow Account, the Federal Reserve Bank of New York was directed to transfer a corresponding amount of \$41,263,779.00 from the blocked account it holds to the United Nations-controlled account. Similarly, on August 2, 1993, following the payment of \$1,765,138.33 by the Government of the United Kingdom, the Federal Reserve Bank of New York was directed to transfer a corresponding amount of \$1,765,138.33 to the United Nations-controlled account; on September 11, 1993, following payments of \$1,547,054.35 by the Government of Canada, \$276,000.00 by the Government of Greece, \$3,196,897.72 from the Commission of the European Community, and \$1,006,614.89 from the Government of Denmark, the Federal Reserve Bank of New York was directed to transfer a corresponding amount of \$6,026,566.96 to the United Nations-controlled account; and on December 15, 1993, following payments of \$5,223,880.60 by the Government of the United Kingdom, \$621,426.80 by the Government of Germany, and \$1,219,941.98 from the Government of the Netherlands, the Federal Reserve Bank of New York was directed to transfer a corresponding amount of \$7,065,249.38 to the United Nations-controlled account. Total transfers from the blocked Federal Reserve Bank of New York account since issuance of Executive Order No. 12817 have amounted to \$107,613,270.99 of the \$200 million for which the United States is potentially obligated, on a matching basis, pursuant to United Nations Security Council Resolution No. 778.

5. Since the last report, there have been developments in one case. In *Campia et al. v. Newcomb et al.*, a settlement was entered into by the parties addressing payment of back rent to the landlord and return to the landlord of premises leased by the Matrix Churchill Corporation. To implement the settlement, certain blocked property owned by Matrix Churchill was sold, with the proceeds placed in a blocked account. Matrix Churchill's remaining property and records were placed in secure storage.

6. The Office of Foreign Assets Control has issued a total of 444 specific licenses regarding transactions pertaining to Iraq or Iraqi assets since August 1990. Since my last report, 53 specific licenses have been issued. Licenses were issued for transactions such as the filing of legal actions against Iraqi governmental entities, for legal representation of Iraq, and the exportation to Iraq of donated medicine, medical supplies, and food intended for humanitarian relief purposes, the execution of powers of attorney relating to the administration of personal assets and decedents' estates in Iraq, and the protection of pre-existent intellectual property rights in Iraq.

7. The expenses incurred by the Federal Government in the 6 month period from August 2, 1993, through February