

The message, together with the accompanying papers, was referred to the Committee on International Relations and ordered to be printed (H. Doc. 104-173).

¶14.7 COMMUNICATION FROM THE CLERK—MESSAGE FROM THE PRESIDENT

The SPEAKER pro tempore, Mrs. MORELLA, laid before the House a communication, which was read as follows:

OFFICE OF THE CLERK,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, February 13, 1996.

Hon. NEWT GINGRICH,
The Speaker, U.S. House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on Friday, February 9 at 11:45 a.m. and said to contain a message from the President whereby he notifies the Congress that Japan has conducted whaling activities that diminish the effectiveness of the International Whaling Commission with respect to minke whales.

With warm regards,

ROBIN H. CARLE,
Clerk, House of Representatives.

¶14.8 INTERNATIONAL WHALING COMMISSION-JAPAN

The Clerk then read the message from the President, as follows:

To the Congress of the United States:

On December 11, 1995, Secretary of Commerce Ronald Brown certified under section 8 of the Fishermen's Protective Act of 1967, as amended (the "Pelly Amendment") (22 U.S.C. 1978), that Japan has conducted research whaling activities that diminish the effectiveness of the International Whaling Commission (IWC) conservation program. This message constitutes my report to the Congress pursuant to subsection (b) of the Pelly Amendment.

The certification of the Secretary of Commerce was based on Japanese research whaling activities in both the North Pacific and the Southern Ocean Whale Sanctuary. In 1994, Japan expanded its research whaling activities into the North Pacific by permitting the taking of 100 minke whales, 21 of which were taken. The IWC found that this North Pacific whaling failed to satisfy applicable criteria for lethal research and was therefore inconsistent with the IWC's conservation program. Nevertheless, Japan continued its whaling activities in the North Pacific, taking 100 minke whales in 1995. In addition, during 1995, Japan increased the number of minke whales to be harvested in the Southern Ocean Whale Sanctuary by 33 percent, despite a 1994 finding by the IWC that this lethal research program did not meet all applicable criteria.

In his letter to me of December 11, 1995, Secretary Brown conveyed his concerns not only over the whales that have been killed in this program to date but also over any further expansion of lethal research. While noting that the Japanese have informed us

they have no plans for a further expansion of lethal research in the Southern Ocean Whale Sanctuary, he expressed particular concern over whaling activity in that area. I share these concerns.

At this stage, I do not believe that the use of trade sanctions is the most constructive approach to resolving our differences over research whaling activities with the Government of Japan. However, I have instructed the Department of State to convey my very strong concerns to the Government of Japan. We will also vigorously pursue high-level efforts to persuade Japan to reduce the number of whales killed in its research program and act consistently with the IWC conservation program. We hope to achieve significant progress on these issues by the beginning of the next Antarctic whaling season and will keep these issues under review. I have instructed the Department of Commerce to continue to monitor closely Japan's research whaling and to report promptly on any further inconsistencies between Japanese whaling activities and the guidelines of the IWC conservation program.

WILLIAM J. CLINTON.

THE WHITE HOUSE, February 9, 1996.

The message, was referred to the Committee on International Relations and the Committee on Resources and ordered to be printed (H. Doc. 104-174).

¶14.9 COMMUNICATION FROM THE CLERK—MESSAGE FROM THE PRESIDENT

The SPEAKER pro tempore, Mrs. MORELLA, laid before the House a communication, which was read as follows:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, February 13, 1996.

Hon. NEWT GINGRICH,
Speaker, U.S. House of Representatives, Wash-
ington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on Friday, February 9 at 11:45 a.m. and said to contain a message from the President whereby he transmits a 6-month periodic report on the national emergency with Iraq.

With warm regards,

ROBIN H. CARLE,
Clerk, House of Representatives.

¶14.10 NATIONAL EMERGENCY WITH RESPECT TO IRAQ

The Clerk then read the message from the President, as follows:

To the Congress of the United States:

I hereby report to the Congress on the developments since my last report of August 1, 1995, 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 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 778 of October 2, 1992. Resolution 778 requires U.N. Member States to transfer to a U.N. escrow account any funds (up to \$200 million apiece) representing Iraqi oil sale proceeds paid by purchasers after the imposition of U.N. sanctions on Iraq, to 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 also funds the activities of the U.N. Compensation Commission in Geneva, which handles claims from victims of the Iraqi invasion and occupation of Kuwait. Member States also may make voluntary contributions to the account. 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 transfers or 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 No. 12724 and 12817 (the "Executive orders"). The report covers events from August 2, 1995, through February 1, 1996.

1. During the reporting period, there were no amendments to the Iraqi Sanctions Regulations.

2. The Department of the Treasury's Office of Foreign Assets Control (FAC) continues its involvement in lawsuits seeking to prevent the unauthorized transfer of blocked Iraqi assets. In *Consarc Corporation v. Iraqi Ministry of Industry and Minerals*, No. 94-5390 (D.C. Cir. Dec. 15, 1995), the U.S. Court of Ap-

peals for the D.C. Circuit issued its second opinion in this case, finding in FAC's favor on all issues presented to the court. The court ordered the district court judge to direct Consarc Corporation to restore the status quo by returning \$6.4 million plus interest to the blocked Iraqi government account from which it was withdrawn after the district court erroneously held that these funds were not blocked Iraqi government property. The court also found that the unsold furnace manufactured for the Iraqi government and sales proceeds of a second furnace were blocked property. Finally, the court reversed the district court's ruling that Consarc held a specific claim against a blocked Iraqi government account for \$6.4 million, holding that any claim Consarc had against the Government of Iraq was as a general creditor only.

Investigations of possible violations of the Iraqi sanctions continue to be pursued and appropriate enforcement actions taken. Several cases from prior reporting periods are continuing and recent additional allegations have been referred by FAC to the U.S. Customs Service for investigation. Additional FAC 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. One *de minimis* penalty has been collected from an organization for unlicensed exports in violation of the prohibitions against transactions involving Iraq. Several other penalty proceedings are pending completion.

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 FAC's listing of individuals and organizations determined to be Specially Designated Nationals (SDNs) of the Government of Iraq.

4. Pursuant to Executive Order No. 12817 implementing United Nations Security Council Resolution 778, on October 26, 1992, FAC 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 September 5, 1995, following payments by the Governments of Australia (\$216,360.00), Denmark (\$168,985.00), Japan (\$4,075,000.00), The Netherlands (\$4,168,745.47), New Zealand (\$67,050.00), Switzerland (\$265,108.20), and by the European Union (\$647,463.31), respectively, to the special United Nations-controlled account, entitled "United Nations Security Council Resolution 778 Escrow Account," the Federal Reserve Bank of New York was directed to transfer a corresponding amount of \$9,606,711.98 from the blocked account it holds to the United Nations-controlled account. Similarly, on October 30, 1995, following the payment of \$1,504,000.00 by the European Community, and payments by the Govern-

ments of Germany (\$355,871.89), The Netherlands (\$698,348.13), Norway (\$199,983.00), and the United Kingdom (\$2,188,992.67), the Federal Reserve Bank of New York was directed to transfer a corresponding amount of \$6,947,195.69 to the United Nations-controlled account. Finally, on December 21, 1995, following the payment of \$3,062,197.28 by the European Union, and payments by the Governments of the Netherlands (\$1,922,719.00), Sweden (\$4,223,178.20), and the United Kingdom (\$208,600.44), the Federal Reserve Bank of New York was directed to transfer the amount of \$8,313,066.13 to the United Nations-controlled account. Cumulative transfers from the blocked Federal Reserve Bank of New York account since issuance of Executive Order No. 12817 now have amounted to \$200 million, fully satisfying the U.S. commitment to match the payments of other Member States from blocked Iraqi oil payments, and its obligation pursuant to United Nations Security Council Resolution 778.

5. The Office of Foreign Assets Control has issued a total of 618 specific licenses regarding transactions pertaining to Iraq or Iraqi assets since August 1990. Licenses have been issued for transactions such as the filing of legal actions against Iraqi governmental entities, legal representation of Iraq, and the exportation to Iraq of donated medicine, medical supplies, 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 preexistent intellectual property rights in Iraq. Since my last report, 28 specific licenses have been issued.

6. The expenses incurred by the Federal Government in the 6-month period from August 2, 1995, through February 1, 1996, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Iraq are reported to be about \$1.6 million, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the U.S. Customs Service, the Office of the Under Secretary for Enforcement, and the Office of the General Counsel), the Department of State (particularly the Bureau of Economic and Business Affairs, the Bureau of Near Eastern Affairs, the Bureau of International Organization Affairs, the Bureau of Political-Military Affairs, the U.S. Mission to the United Nations, and the Office of the Legal Adviser), and the Department of Transportation (particularly the U.S. Coast Guard).

7. The United States imposed economic sanctions on Iraq in response to Iraq's illegal invasion and occupation of Kuwait, a clear act of brutal aggression. The United States, together with the international community, is maintaining economic sanctions against Iraq because the Iraqi regime has failed

to comply fully with United Nations Security Council resolutions. Security Council resolutions on Iraq call for the elimination of Iraqi weapons of mass destruction, Iraqi recognition of Kuwait, and the inviolability of the Iraq-Kuwait boundary, the release of Kuwaiti and other third-country nationals, compensation for victims of Iraqi aggression, long-term monitoring of weapons of mass destruction capabilities, the return of Kuwaiti assets stolen during Iraq's illegal occupation of Kuwait, renunciation of terrorism, an end to internal Iraqi repression of its own civilian population, and the facilitation of access of international relief organizations to all those in need in all parts of Iraq. More than 5 years after the invasion, a pattern of defiance persists: a refusal to account for missing Kuwaiti detainees; failure to return Kuwaiti property worth millions of dollars, including military equipment that was used by Iraq in its movement of troops to the Kuwaiti border in October 1994; sponsorship of assassinations in Lebanon and in northern Iraq; incomplete declarations to weapons inspectors; and ongoing widespread human rights violations. As a result, the U.N. sanctions remain in place; the United States will continue to enforce those sanctions under domestic authority.

The Baghdad government continues to violate basic human rights of its own citizens through systematic repression of minorities and denial of humanitarian assistance. The Government of Iraq has repeatedly said it will not be bound by United Nations Security Council Resolution 688. For more than 4 years, Baghdad has maintained a blockade of food, medicine, and other humanitarian supplies against northern Iraq. The Iraqi military routinely harasses residents of the north, and has attempted to "Arabize" the Kurdish, Turcomen, and Assyrian areas in the north. Iraq has not relented in its artillery attacks against civilian population centers in the south, or in its burning and draining operations in the southern marshes, which have forced thousands to flee to neighboring States.

In April 1995, the U.N. Security Council adopted Resolution 986 authorizing Iraq to export limited quantities of oil (up to \$1 billion per quarter) under U.N. supervision in order to finance the purchase of food, medicine, and other humanitarian supplies. The resolution includes arrangements to ensure equitable distribution of such assistance to all the people of Iraq. The resolution also provides for the payment of compensation to victims of Iraqi aggression and for the funding of other U.N. activities with respect to Iraq. Resolution 986 was carefully crafted to address the issues raised by Iraq to justify its refusal to implement similar humanitarian resolutions adopted in 1991 (Resolutions 706 and 712), such as oil export routes and questions of national sovereignty. Nevertheless, Iraq refused to implement this humani-

tarian measure. This only reinforces our view that Saddam Hussein is unconcerned about the hardships suffered by the Iraqi people.

The policies and actions of the Saddam Hussein regime continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States, as well as to the regional peace and security. The U.N. resolutions affirm that the Security Council be assured of Iraq's peaceful intentions in judging its compliance with sanctions. Because of Iraq's failure to comply fully with these resolutions, the United States will continue to apply economic sanctions to deter it from threatening peace and stability in the region.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 9, 1996.*

The message, was referred to the Committee on International Relations and ordered to be printed (H. Doc. 104-175).

¶14.11 ADJOURNMENT

On motion of Mr. MONTGOMERY, pursuant to the special order agreed to on February 6, 1996, at 11 o'clock and 7 minutes a.m., the House adjourned until 11 o'clock a.m. on Friday, February 16, 1996.

¶14.12 PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII:

Mr. KLECZKA introduced a bill (H.R. 2965) to amend title 31, United States Code, to provide an automatic continuing appropriation for the U.S. Government; to the Committee on Appropriations.

¶14.13 ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 211: Ms. ROS-LEHTINEN.
 H.R. 497: Mr. CHRISTENSEN.
 H.R. 997: Mr. HOYER and Mr. METCALF.
 H.R. 1488: Mr. LAHOOD.
 H.R. 1627: Mr. BOEHLERT.
 H.R. 1948: Ms. RIVERS.
 H.R. 2320: Mr. WALSH, Mr. COSTELLO, Mr. FAZIO of California, and Mr. PETERSON of Minnesota.
 H.R. 2523: Mr. STOCKMAN.
 H.R. 2618: Mr. CONYERS.
 H.R. 2664: Mr. HAYES, Mr. ROYCE, Mr. DORNAN, and Mr. RADANOVICH.
 H.R. 2740: Ms. DUNN of Washington.
 H.R. 2745: Mr. PAYNE of New Jersey, Mr. MFUME, Mr. LANTOS, Mr. NEAL of Massachusetts, Mr. GILMAN, Mr. BOEHLERT, Mr. MOAKLEY, Mr. MENENDEZ, Mr. FIELDS of Louisiana, Mrs. JOHNSON of Connecticut, Mr. KANJORSKI, and Mr. GEJDENSON.
 H.R. 2755: Mr. FATTAH.
 H. Con. Res. 127: Mr. PETRI, Mr. EHLERS, Mr. HOEKSTRA, Mr. PORTER, Mr. WAMP, Mr. SENSENBRENNER, and Mr. GILLMOR.
 H. Con. Res. 134: Mr. HALL of Texas, Mr. BACHUS, and Mr. EMERSON.

FRIDAY, FEBRUARY 16, 1996 (15)

The House was called to order by the SPEAKER pro tempore, Mrs. MORELLA.

¶15.1 APPROVAL OF THE JOURNAL

The SPEAKER pro tempore, Mrs. MORELLA, announced she had exam-

ined and approved the Journal of the proceedings of Tuesday, February 13, 1996.

Pursuant to clause 1, rule I, the Journal was approved.

¶15.2 COMMUNICATIONS

Executive and other communications, pursuant to clause 2, rule XXIV, were referred as follows:

2057. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting the annual report to Congress on the operations of the Export-Import Bank of the United States for fiscal year 1995, pursuant to 12 U.S.C. 635g(a); to the Committee on Banking and Financial Services.

2058. A letter from the Administrator, Energy Information Administration, transmitting the Administration's report entitled "Annual Energy Outlook 1996," pursuant to 15 U.S.C. 790f(a)(1); to the Committee on Commerce.

2059. A letter from the Director, Office of Emergency and Remedial Response, Environmental Protection Agency, transmitting three rules amending the national priorities list promulgated under section 105 of CERCLA, pursuant to 42 U.S.C. 9655(a); to the Committee on Commerce.

2060. A letter from the Chairman, United States International Trade Commission, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1995, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

2061. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11-197, "District of Columbia Board of Real Property Assessments and Appeals Membership Simplification Act of 1996," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

¶15.3 COMMUNICATION FROM THE CLERK—MESSAGE FROM THE PRESIDENT

The SPEAKER pro tempore, Mrs. MORELLA, laid before the House a communication, which was read as follows:

OFFICE OF THE CLERK,
 HOUSE OF REPRESENTATIVES,
Washington, DC, February 16, 1996.

Hon. NEWT GINGRICH,
The Speaker, House of Representatives,
Washington, DC 20515.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on Wednesday, February 14 at 11:25 a.m. and said to contain a message from the President whereby he transmits the Economic Report of the President and Annual Report of the Council of Economic Advisers for 1996.

With warm regards,

ROBIN H. CARLE,
Clerk,
House of Representatives.

¶15.4 COUNCIL OF ECONOMIC ADVISORS REPORT

The Clerk then read the message from the President, as follows:

To the Congress of the United States:

Fifty years ago, the Congress passed and President Truman signed the Employment Act of 1946, which committed the U.S. Government to promote poli-

cies designed to create employment opportunities for all Americans. I am proud that my Administration has made President Truman's commitment a reality. Over the past 3 years, we have created a sound economic foundation to face the challenges of the 21st century.

STRONG ECONOMIC PERFORMANCE

Overall, the American economy is healthy and strong. In the first 3 years of this Administration nearly 8 million jobs were created, 93 percent of them in the private sector. The so-called "misery index"—the sum of the inflation and unemployment rates—fell last year to its lowest level since 1968. Investment has soared, laying the basis for future higher economic growth. New business incorporations have set a record, and exports of American-made goods have grown rapidly. Ours is the strongest and most competitive economy in the world—and its fundamentals are as sound as they have been in three decades.

This turnaround occurred because of the hard work and ingenuity of the American people. Many of the new jobs are high-wage service sector jobs—reflecting the changing structure of the economy. The telecommunications, biotechnology, and software industries have led the high-tech revolution world-wide. Traditional industries, such as manufacturing and construction, have restructured and now use technology and workplace innovation to thrive and once again create jobs. For example, in 1994 and 1995, America was once again the world's largest automobile maker.

Our 1993 economic plan set the stage for this economic expansion and resurgence, by enacting historic deficit reduction while continuing to invest in technology and education. For over a decade, growing Federal budget deficits kept interest rates high and dampened investment and productivity growth. Now, our deficit is proportionately the lowest of any major economy.

Today, our challenge is to ensure that all Americans can become winners in economic change—that our people have the skills and the security to make the most of their own lives. The very explosion of technology and trade that creates such extraordinary opportunity also places new pressures on working people. Over the past two decades, middle-class earnings have stagnated, and our poorest families saw their incomes fall. These are long-run trends, and 3 years of sound economic policies cannot correct for a decade of neglect. Even so, we are beginning to make some progress: real median family income increased by 2.3 percent in 1994, and the poverty rate fell in 1994 for the first time in 5 years.

ADDRESSING OUR ECONOMIC CHALLENGES

I am firmly committed to addressing our economic challenges and enhancing economic security for all Americans. People who work hard need to know that they can and will have a chance to win in our new and changing economy.