

tion is the lowest it has been in three decades. And business investment has grown more than 11 percent per year—its fastest pace since the early 1960s.

As the economy has grown, the fruits of that growth are being shared more equitably among all Americans. Between 1993 and 1995 the poverty rate fell from 15.1 percent to 13.8 percent—the largest 2-year drop in over 20 years. Poverty rates among the elderly and among African-Americans are at the lowest level since these data were first collected in 1959. And real median family income has risen by \$1,600—the largest growth rate since the Administration of President Johnson.

The Economic Agenda

Our comprehensive economic agenda has helped put America's economy back on the right track. This agenda includes:

Historic Deficit Reduction. Since the 1992 fiscal year, the Federal budget deficit has been cut by 63 percent—from \$290 billion to \$107 billion in fiscal 1996. As a percentage of the Nation's gross domestic product, the deficit has fallen over the same period from 4.7 percent to 1.4 percent, and it is now the lowest it has been in more than 20 years. In 1992 the budget deficit for all levels of government was larger in relation to our economy than those of Japan and Germany were to theirs. Now the deficit is smaller by that same measure than in any other major industrialized economy. And this Administration has proposed a plan that balances the budget by 2002, while protecting critical investments in America's future.

Investments in Education and Technology. Deficit reduction remains a priority, but it is not an end in itself. Balancing the budget by cutting investments in education, or by failing to give adequate support to science and technology, could actually slow economic growth. To succeed in the new global economy, our children must receive a world-class education. Every child in America should be able to read by the age of 8, log onto the Internet by the age of 12, and receive at least 14 years of quality education: 2 years of college should become as universal as high school is today. And we must make sure that every child who wants to go to college has the resources to do so.

Expanding Markets. We have aggressively sought to expand exports and open markets abroad. In the past 4 years we have achieved two major trade agreements: The North American Free Trade Agreement and the Uruguay round accord of the General Agreement on Tariffs and Trade, which established the World Trade Organization. Members of the Asia-Pacific Economic Cooperation forum and the proposed Free Trade Area of the Americas have committed to establishing free trade among themselves by 2020 and 2005, respectively. And we have opened new markets abroad by signing more than 200 other important trade agreements. As a result, U.S. exports have

boomed, which means higher wages for American workers in export industries—often 13 to 16 percent higher than the rest of the workforce.

Reforming Government. The strength of the American economy lies in the energy, creativity, and determination of our citizens. Over the past 4 years we have worked hard to create an environment in which business can flourish. And as the private sector has expanded, the Federal Government has improved its efficiency and cost-effectiveness. We have energetically reformed regulations in key sectors of the economy, including telecommunications, electricity, and banking, as well as environmental regulation. And we have reduced the size of the Federal Government as a percentage of the workforce to the smallest it has been since the 1930's.

CONTINUING TO CREATE AN ECONOMY FOR THE
21ST CENTURY

America's workers are back at work and our factories are humming. Once again, America leads the world in automobile manufacturing. Our high-technology industries are the most competitive in the world. Poverty is down and real wages are at last beginning to rise. And we have laid the foundations for future long-term economic growth by reducing the deficit and investing in education.

During the past 4 years, we have worked to prepare all Americans for the challenges and opportunities of the new global economy of the 21st century. We have worked to restore fiscal discipline in our government, to expand opportunities for education and training for our children and workers, to reform welfare and encourage work, and to expand the frontiers of free trade. But there is more work to be done. We must continue to provide our citizens with the tools to make the most of their own lives so that the American dream is within the reach of every American.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 10, 1997.*

By unanimous consent, the message was referred to the Joint Economic Committee and ordered to be printed (H. Doc. 105-2).

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

The SPEAKER pro tempore, Mr. COLLINS, 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 14, 1996, concerning the national emergency with respect to Iraq that was declared in Executive order 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 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 United States 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. United States 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 12724, which was issued in order to align the sanctions imposed by the United States with United Nations Security Council Resolution (UNSCR) 661 of August 6, 1990.

Executive Order 12817 was issued on October 21, 1992, to implement in the United States measures adopted in UNSCR 778 of October 2, 1992. UNSCR 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 finances 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 12722 and matters relating to Executive Orders 12724 and 12817 (the "Executive Orders"). The report covers events from August 2, 1996 through February 1, 1997.

1. In April 1995, the U.N. Security Council adopted UNSCR 986 authorizing Iraq to export up to \$1 billion in petroleum and petroleum products per quarter for 6 months under U.N. supervision in order to finance the purchase of food, medicine, and other humanitarian supplies. This arrangement may be renewed by the Secretary Council for additional 6-month periods. UNSCR 986 includes arrangements to ensure equitable distribution of humanitarian

goods purchased with UNSCSR 986 oil revenues 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. On May 20, 1996, a memorandum of understanding was concluded between the Secretariat of the United Nations and the Government of Iraq agreeing on terms for implementing UNSCR 986. On August 8, 1996, the UNSC committee established pursuant to UNSCR 661 ("the 661 Committee") adopted procedures to be employed by the 661 Committee in implementation of UNSCR 986. On December 9, 1996, the Secretary General released the report requested by paragraph 13 of UNSCR 986, making UNSCR 986 effective as of 12:01 a.m. December 10.

2. During the reporting period, there have been three amendments to the Iraqi Sanctions Regulations, 31 C.F.R. Part 575 (the "Regulations"), administered by the Office of Foreign Assets Control (OFAC) of the Department of the Treasury. The Regulations were amended on August 22, 1996, to add the Antiterrorism and Effective Death Penalty Act of 1996 (Public Law 104-132; 110 Stat. 1214-1319 (the "Antiterrorism Act")) as an authority for the Regulations (61 *Fed. Reg.* 43460, August 23, 1996). Section 321 of the Antiterrorism Act (18 U.S.C. 2332d), which I signed into law on April 24, 1996, makes it a criminal offense for United States persons, except as provided in regulations issued by the Secretary of the Treasury in consultation with the Secretary of State, to engage in financial transactions with the governments of countries designated under section 6(j) of the Export Administration Act (50 U.S.C. App. 2405) as supporting international terrorism. United States persons who engage in such transactions are subject to criminal fines under title 18, United States Code, imprisonment for up to 10 years, or both. Because the Regulations already prohibited such transactions, with minor exceptions for transactions such as donations of humanitarian aid, no substantive change to the prohibitions of the Regulations was necessary. This amendment also notes the criminal penalties that may be imposed for violations of the Antiterrorism Act and implementing regulations. A copy of the amendment is attached.

The Regulations were amended on October 21, 1996 (61 *Fed. Reg.* 54936, October 23, 1996), to implement section 4 of the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Debt Collection Improvement Act of 1996, by adjusting for inflation the amount of the civil monetary penalties that may be assessed under the Regulations. The Regulations, as amended, increase the maximum civil monetary penalty provided by law from \$250,000 to \$275,000 per violation.

The amended Regulations also reflect an amendment to 18 U.S.C. 1001 contained in section 330016(1)(L) of Public Law 103-322; 108 Stat. 2147. The amend-

ment notes the availability of higher criminal fines pursuant to the formulas set forth in 18 U.S.C. 3571. A copy of the amendment is attached.

The Regulations were amended on December 10, 1996, to provide a statement of licensing policy regarding specific licensing of United States persons seeking to purchase Iraqi-origin petroleum and petroleum products from Iraq (61 *Fed. Reg.* 65312, December 11, 1996). Statements of licensing policy were also provided regarding sales of essential parts and equipment for the Kirkuk-Yumurtalik pipeline system, and sales of humanitarian goods to Iraq, pursuant to United Nations approval. A general license was also added to authorize dealings in Iraqi-origin petroleum and petroleum products that have been exported from Iraq with United Nations and United States Government approval. The rule also added definitions and made technical amendments. A copy of the amendment is attached.

All executory contracts must contain terms requiring that all proceeds of oil purchases from the Government of Iraq, including the State Oil Marketing Organization must be placed in the U.N. escrow account at Banque Nationale de Paris, New York (the "986 Escrow Account"), and all Iraqi payments for authorized sales of pipeline parts and equipment, humanitarian goods, and incidental transaction costs borne by Iraq will, upon approval by the UNSC committee established pursuant to the 661 Committee, be paid or payable out of the 986 Escrow Account.

3. 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 OFAC to the U.S. Customs Service for investigation. Several OFAC civil penalty proceedings are pending. 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 OFAC's listing of individuals and organizations determined to be Specially Designated Nationals (SDNs) of the Government of Iraq.

Since my last report, three civil monetary penalties totaling \$102,250 have been collected from one financial institution and two individuals for violation of the prohibitions against transactions with Iraq. Additional administrative procedures have been initiated and others await commencement.

4. Pursuant to Executive Order 12817 implementing UNSCR 778, on October 26, 1992, OFAC 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 December 13, 1996, OFAC directed the Federal Reserve Bank of New York to transfer the interest accrued on the

blocked account to the U.N. escrow account established pursuant to UNSCR 778, to match contributions in excess of \$30 million by other countries.

5. The Office of Foreign Assets Control has issued a total of 653 specific licenses regarding transactions pertaining to Iraq and 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 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 preexistent intellectual property rights in Iraq. Since my last report, 23 specific licenses have been issued.

6. The expenses incurred by the Federal Government in the 6-month period from August 2, 1996, through February 1, 1997, 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 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. Six 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, in-

cluding 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 refusal of unimpeded access; 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 Bagdad government continues to violate basic human rights of its own citizens through systemic repression of minorities and denial of humanitarian assistance. The Government of Iraq has repeatedly said it will not be bound by UNSCR 688. The Iraqi military routinely harasses residents of the north, and has attempted to "Abrabize" 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.

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 regional peace and security. The U.N. resolutions affirm that the Security Council must 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 10, 1997.*

By unanimous consent, the message, together with the accompanying papers, was referred to the Committee on International Relations and ordered to be printed (H. Doc. 105-41).

And then,

¶8.13 ADJOURNMENT

On motion of Mr. WOLF, pursuant to the special order agreed to on February 6, 1997, at 3 o'clock and 1 minute p.m., the House adjourned until 12:30 p.m. on Tuesday, February 11, 1997.

¶8.14 DISCHARGE OF COMMITTEE

Pursuant to section 518A(e)(5)(A) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997, as contained in section 101(c) of the Omnibus Consolidated Appropriations Act, 1997:

H.J. Res. 36. Approving the Presidential finding that the limitation on obligations imposed by section 518A(a) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997, is having a negative impact on the proper functioning of the population planning program.

Committee on Appropriations discharged from further consideration. Referred to the Committee of the Whole House on the State of the Union.

¶8.15 PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DAN SCHAEFER of Colorado:

H.R. 655. A bill to give all American electricity consumers the right to choose among competitive providers of electricity, in order to secure lower electricity rates, higher quality services, and a more robust U.S. economy, and for other purposes; to the Committee on Commerce.

By Mr. BACHUS (for himself, Mr. YOUNG, of Alaska, Mr. CRAMER, Mr. RILEY, Mr. ADERHOLT, Mr. MICA, Mr. OXLEY, Mr. MCCOLLUM, and Mr. LATOURETTE):

H.R. 656. A bill to amend the Internal Revenue Code of 1986 to provide that distributions from qualified State tuition programs which are used to pay educational expenses shall not be includible in gross income and to include as such expenses the cost of room and board; to the Committee on Ways and Means.

By Mr. BALDACCI:

H.R. 657. A bill to establish a National Center for Rural Law Enforcement, and for other purposes; to the Committee on the Judiciary.

H.R. 658. A bill to provide for the conveyance to the city of Bangor, ME, of unused military family housing located in the city; to the Committee on National Security.

By Mr. BURR of North Carolina (for himself, Mr. SPRATT, Mr. MCINTOSH, Mr. BACHUS, Mrs. KELLY, Mr. WELDON of Pennsylvania, Mr. FROST, Mr. CALVERT, Mr. SESSIONS, Mr. MCKEON, Mr. COLLINS, Mr. DOYLE, Mr. BORSKI, Mr. BARTLETT of Maryland, Mr. OXLEY, Mr. WICKER, Mr. DAN SCHAEFER of Colorado, Mr. GRAHAM, Mr. BARR of Georgia, Mr. EWING, Mr. COBURN and Mr. BARTON of Texas):

H.R. 659. A bill to amend the Clean Air Act and the Superfund Amendments and Reauthorization Act of 1986 to clarify the listing of a unique chemical substance; to the Committee on Commerce, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CANADY of Florida:

H.R. 660. A bill to amend title 28, United States Code, to allow an interlocutory appeal from a court order determining whether an action may be maintained as a class action; to the Committee on the Judiciary.

By Mr. GALLEGLEY:

H.R. 661. A bill to make a technical correction to section 214(h) of the Housing and Community Development Act of 1980; to the Committee on Banking and Financial Services.

By Mrs. MEEK of Florida:

H.R. 662. A bill to amend the Immigration and Nationality Act relating to fulfillment by elderly persons of the requirements for naturalization; to the Committee on the Judiciary.

H.R. 663. A bill to amend the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to provide for an exception to limited eligibility for the supplemental security income program for permanent resident aliens; to the Committee on Ways and Means.

By Mr. SHAYS (for himself, Mrs. KENNEDY of Connecticut, Mrs. JOHNSON of Connecticut, Ms. DELAURO, and Mr. MALONEY of Connecticut):

H.R. 664. A bill to amend title 49, United States Code, relating to the installation of

emergency locator transmitters on aircraft; to the Committee on Transportation and Infrastructure.

By Mr. SOLOMON:

H.R. 665. A bill to provide for the award of the Armed Forces Expeditionary Medal to members of the Armed Forces who participate in Operation Joint Endeavor or Operation Joint Guard in the Republic of Bosnia and Herzegovina; to the Committee on National Security.

By Ms. CHRISTENSEN:

H.J. Res. 46. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. GEPHARDT (for himself, Mr. FRANK of Massachusetts, Ms. DELAURO, Mr. MORAN of Virginia, Mr. CAPP, and Mr. GORDON):

H.J. Res. 47. Joint resolution proposing an amendment to the Constitution of the United States to limit campaign spending; to the Committee on the Judiciary.

By Mr. GALLEGLEY (for himself, Mr. GILMAN, Mr. HAMILTON, Mr. ACKERMAN, Mr. BALLENGER, and Mr. HOUGHTON):

H. Con. Res. 17. Concurrent resolution congratulating the people of Guatemala on the success of the recent negotiations to establish a peace process for Guatemala; to the Committee on International Relations.

By Mr. UNDERWOOD:

H. Res. 44. Resolution designating minority membership on certain standing committees of the House; considered and agreed to.

By Mr. HALL of Ohio (for himself, Mr. WOLF, Mr. FRANK of Massachusetts, Mr. SMITH of New Jersey, Mr. KENNEDY of Rhode Island, Mrs. MORELLA, Mrs. LOWEY, Mr. LANTOS, and Mr. PORTER):

H. Res. 45. Resolution to honor 1996 Nobel Peace Prize recipients Bishop Carlos Felipe Ximenes Belo and Jose Ramos-Horta, and to express support for the process of building a just and lasting peace in East Timor; to the Committee on International Relations.

¶8.16 MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

16. By the SPEAKER: Memorial of the House of Representatives of the State of Iowa, relative to House Concurrent Resolution 4: requesting the Congress of the United States to submit to the States for ratification a balanced budget amendment to the U.S. Constitution; to the Committee on the Judiciary.

17. Also, memorial of the Senate of the State of New Jersey, relative to Senate Resolution No. 72: urging the President and the Congress of the United States to reauthorize the Federal Intermodal Surface Transportation Efficiency Act of 1991, and to insure that the respective Federal funding amounts for highway and mass transportation are not reduced below current levels; to the Committee on Transportation and Infrastructure.

¶8.17 ADDITIONAL SPONSORS

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

H.R. 1: Mr. KLUG, Mr. KOLBE, Mr. FOLEY, Mr. EHRLICH, Mr. DOOLITTLE, Mr. DUNCAN, Mr. COBLE, Mr. HANSEN, Mrs. CHENOWETH, Mr. TAYLOR of North Carolina, Mr. NETHERCUTT, Mr. DICKEY, Mr. DELAY, Mr. WELDON of Florida, Mr. CHRISTENSEN, Mr. BOB SCHAEFFER, Mr. ROHRBACHER, Mr. HILLEARY, Mr. SAM JOHNSON, Mr. LATHAM, Mr. BARR of Georgia, Mr. SMITH of Michigan,